



Ugu District Municipality

DRAFT BUDGET 2017/2018

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UGU DISTRICT MUNICIPALITY

**EXTRACT FROM THE DRAFT MINUTES OF THE MEETING OF THE
UGU DISTRICT MUNICIPAL COUNCIL HELD ON 29 MARCH 2017**

4.2 Ugu District Municipality Draft Budget: 2017/18

The General Manager: Treasury took members through the item.

Following which,

It was

RESOLVED:

That the Draft Budget of the Ugu District Municipality for the financial year 2017/2018 be and is hereby **APPROVED** for public consultation, as set out in the following schedules:

- Table A1 – Budget Summary;
- Table A2 – Budget Financial Performance (Standard Classification);
- Table A3 – Budget Financial Performance (Revenue & Expenditure by Municipal vote);
- Table A4 – Budget Financial Performance (Revenue & Expenditure);
- Table A5 – Capital Budget;
- Table A6 – Budget Financial Position;
- Table A7 – Budget Cash Flow;
- Table A8 – Cash Backed Reserves;
- Table A9 – Asset Management;
- Table A10 – Basic Service Delivery; and
- Other Supporting Tables (Table SA1- SA37).

CERTIFIED A TRUE COPY OF THE ORIGINAL



VP TSAKO

GENERAL MANAGER: CORPORATE SERVICES



Ugu District Municipality

VISION

“A place where everyone benefit equally from socio-economic opportunities and services”

MISSION

“Create an enabling environment for social and economic development resulting in the provision of quality drinking water and access to decent sanitation. Ensure community participation and coordinate public and private players.”

MAYORS REPORT

FOR APPROVAL

2nd Level: COUNCIL (22 March 2017)

SUBJECT: UGU DISTRICT MUNICIPALITY-DRAFT BUDGET 2017/2018

DATE OF MEETING: 29 MARCH 2017

PURPOSE

To seek approval from the Council on the Draft Budget 2017/2018 of the Ugu District Municipality,

ANNEXURES

Ugu District Municipality Draft Budget 2017-2018.

LEGISLATIVE PROVISIONS

Municipal Finance Management Act

BACKGROUND/RATIONALE

Section 16(1) of the Municipal Finance Management Act, No. 56 of 2003 states that the municipality must for each financial year approve an annual budget before the start of that financial year.

On the 29 March 2017 a draft budget 2017/2018 was tabled in council for NOTING, after which the budget was published in various municipal offices libraries and the website for public comments. The budget workshops were also conducted throughout the district to solicit the views of the public

IMPLICATIONS

FINANCIAL – None.

LEGAL – Compliance with Section 28 of the MFMA

MEDIA/COMMUNICATION – once adopted, the approved Annual Budget will be published on the website.

RECOMMENDATION

IT IS RECOMMENDED THAT:

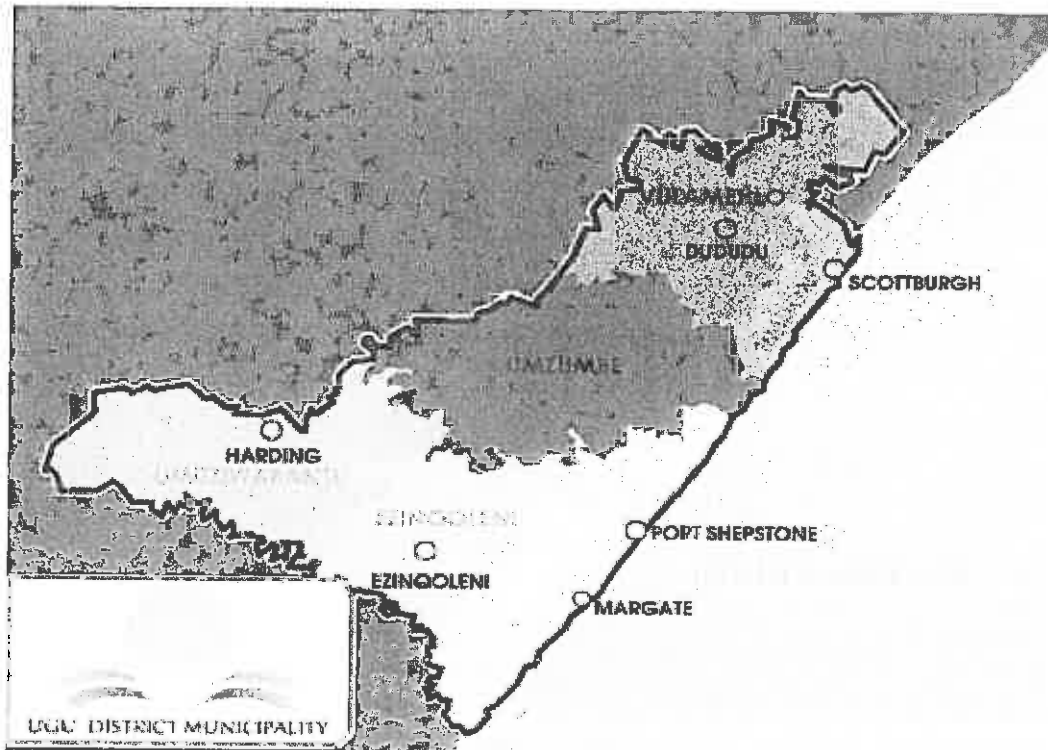
- 1 That the Draft Budget of Ugu District Municipality for the financial year 2017/2018 be APPROVED, as set out in the following schedules:

- Table A1 –Budget Summary
- Table A2 –Budget Financial Performance (standard classification)
- Table A3 –Budget Financial Performance (revenue & expenditure by Municipal vote)
- Table A4 –Budget Financial Performance (revenue & expenditure)
- Table A5 –Capital Budget by vote and funding
- Table A6 –Budget Financial Position
- Table A7 –Budget Cash Flow
- Table A8 –Cash backed reserves/accumulated surplus reconciliation
- Table A9 –Asset Management
- Table A10 –Basic Service Delivery measurement
- Other Supporting Tables (Table SA1-SA37)
- Detailed Capital Budget

DATE: 29/03/2017

EXECUTIVE SUMMARY

BACKGROUND



Source: <http://www.ugu.org.za/council/municipalities.asp>

Ugu District municipality consists of eighty one (81) municipal wards in its (06) Local Municipalities, namely, Hibiscus Coast, Umzumbe, Vulamehlo, Umdoni, Ezingoleni and Umuziwabantu. The municipality also has forty two (42) traditional authorities. It is 5866km² in extent and is home to 782,685 residents with 84% population residing in rural areas (Household Survey Data, Statistics SA (2007)). About 57,9% of the population is aged between 15 and 64years, which calls for government interventions and support relating to infrastructure for human development such as education, health and employment (State of the population of KZN (2009)).

The municipality has 151,620 households – with Hibiscus Coast and Umzumbe having the largest number of households of all the local municipalities i.e. 50,650 and 40,579 households respectively. The average household size in Ugu is 4.6 persons per household. (State of the Population of KZN (2009). There is a rising HIV prevalence rate from 37% to 40.6%, which is the highest in the 11 districts of the province.

The unemployment rate in the Ugu Region is estimated at 26, 8% (Global Insights 2010). The districts economically active population is estimated at 21, 2% of the total population. Most of the rural households rely solely on state grants. Ugu was identified during Presidential State of the Nation address in 2001 as a poverty nodal area that would be targeted for rural development programs.

Ugu's main functions are Water and Sanitation. The current service delivery backlog is estimated at 30.09% for water and 27, 19% for sanitation which is 46,393 and 41,231 households respectively.

UGU'S VISION

"A place where everyone benefit equally from socio-economic opportunities and services"

UGU'S MISSION

"Create an enabling environment for social and economic development resulting in the provision of quality drinking water and access to decent sanitation. Ensure community participation and coordinate public and private players."

UGU DISTRICT MUNICIPALITY'S DEVELOPMENT PRIORITIES

1. Infrastructure investment
2. Economic and Sector Development
3. Financial Viability
4. Education and Skills development
5. Institutional integration and coordination
6. Centralised planning
7. Reduce HIV & AIDS
8. Clean environment
9. Peace and stability.

ORGANISATIONAL STRATEGIC OBJECTIVES

1. To create a conducive environment for participatory development.
2. To build and strengthen the administrative and institutional capability of the municipality
3. To develop and maintain a financially viable and sustainable organisation that achieves full compliance with legislation.
4. To develop and promote an integrated sustainable environment
5. To provide access to sustainable quality drinking water and sanitation services.
6. To create a conducive environment for economic growth and job opportunities.

NATIONAL OUTCOMES

In January 2010, Cabinet adopted the 12 outcomes within which to frame public-service delivery priorities and targets. The following table is a summary of outcomes/priorities which were considered in the compilation of the 2017/2018 Annual Budget.

NATIONAL OUTCOME/OUTPUT	ROLE OF LOCAL GOVERNMENT
1. Improve the quality of basic education	- Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections.
2. Improve Health and life expectancy	- Improve community health by providing clean water and sanitation. - TB and HIV and AIDS awareness, prevention and treatment programmes.
3. All people in South Africa protected and feel safe	- Improving collaborations with the SAPS and ensuring rapid response to crime. - Reduce level of crime in the municipality.
4. Decent employment through inclusive economic growth	- Ensure proper implementation of the EPWP. - Design service level processes to be labour-intensive.

	<ul style="list-style-type: none"> - Eliminate corruption in procurement processes to ensure value for money
5. A skilled and capable workforce to support inclusive growth	<ul style="list-style-type: none"> - Develop and extend intern and work experience programmes. - Link procurement to skills development initiatives.
6. An efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> - Ring-fence water and electricity functions so as to facilitate cost-reflecting pricing of these services. - Maintain and expand water purification and waste water treatment works in line with growing demand.
7. Vibrant, equitable and sustainable rural communities and food security	<ul style="list-style-type: none"> - Facilitate the development of local markets for agricultural produce. - Ensure effective spending of grants for funding extensions of access to basic services. - Improve transport links with urban centres to ensure economic integration.
8. Sustainable human settlements and improved quality of household life	<ul style="list-style-type: none"> - Ensure capital budgets are appropriately prioritised to maintain existing services and extend services.
9. A response and accountable, effective and efficient local government system	<ul style="list-style-type: none"> - Ensure ward committees are representative and fully involved in community consultation processes around IDP, Budget and other strategic service delivery issues. - Improve municipal financial administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.
10. Protection and enhancement of environmental assets and natural resources	<ul style="list-style-type: none"> - Develop and implement water management plans to reduce water losses. - Ensure effective maintenance and rehabilitation of infrastructure. - Run water saving awareness campaigns - Ensure development does not take place on wetlands.
11. A better South Africa, a better and safer Africa and World	<ul style="list-style-type: none"> - Create an enabling environment for investment. - Ensure basic infrastructure is in place and properly maintained.
12. A development-orientated public service and inclusive citizenship	<ul style="list-style-type: none"> - Continue to develop performance monitoring and management systems. - Comply with legal financial reporting requirements. - Review municipal expenditure to eliminate wastage. - Ensure councils behave in ways to restore community trust in local government.

STATE OF THE PROVINCE ADDRESS

In the State of the Province address on 01st March 2017 the Premier Willies Mchunu, reconfirmed the provincial government's commitment to the following Key National Priorities as they have been adopted in the Provincial Growth and Development Plan (PGDP):

1. Creation of more jobs, decent work and sustainable livelihoods for inclusive growth
2. Rural development, land reform and food security
3. Improved quality of basic education
4. Long and healthy life for all South Africans
5. Fighting crime and corruption

In drafting the 2017/2018 Budget, Council continues to support job creation by:

1. Ensuring that service delivery and capital projects are labour intensive;
2. Ensuring that service providers use labour intensive approaches;
3. Supporting labour intensive LED projects;
4. Participating fully in the EPWP; and
5. Implementing intern programmes to provide young people with on-the-job training.

NATIONAL DEVELOPMENT PLAN: 2030

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa has the potential and capacity to eliminate poverty and reduce inequality over the next two decades. This requires a new approach – one that moves from a passive citizenry receiving services from the State to one that systematically includes the socially and economically excluded, where people are active champions of their own development, and where government works effectively to develop people's capabilities to lead the lives they desire. The achievement of this vision is based on the following priorities:

- I. Creating jobs and livelihoods,
- II. Expanding infrastructure,
- III. Transitioning to a low-carbon economy,
- IV. Transforming urban and rural spaces,
- V. Improving education and training,
- VI. Providing quality health care,
- VII. Building a capable state,
- VIII. Fighting corruption and enhancing accountability,
- IX. Transforming society and uniting the nation,

The municipality has compiled its budget and programmes towards contributing to these priorities.

OVERVIEW OF THE 2017/2018 ANNUAL BUDGET PROCESS

The 2017/2018 Annual Budget preparation process can be illustrated as below:-

August 2016 - Adoption of Framework Plan and Process Plan by Council and submission to COGTA, National and Provincial Treasury.

September 2016 - Assessment of IDP Implementation Plan

October 2016 - Conduct financial sustainability strategy with revenue enhancement focus.

November 2016 - Conduct Community needs Consultation to develop KPIs for 2017 PMS.

December 2016 - Submit 2016/2017 budget framework to all relevant persons (Budget framework to include salary, operational and capital budget related information).

January 2017 - Submission of detailed estimates by Office of the Municipal Manager and Heads of Departments to the General Manager: Treasury.

February 2017 - Internal Consultative process with Departments by means of workshops and meetings to assess financial feasibility of proposed projects

March 2017 - Tabling of 2017/2018 Draft Budget (Ugu and the Entity) in Council for noting.

April – May 2017 – Stakeholder consultation process. Comments, additions, and proposals by stakeholders.

May 2017 - Special Joint Exco and Finance Portfolio Committee meeting to consider stakeholders input on the 2017/2018 draft budget.

May 2017 – Mayor tables the 2017/2018 Draft Budget for final adoption by Council.

ANNUAL REVIEW OF POLICIES

The administration annually reviews all budget related policies during the budget process and these are tabled to Council for Approval with the Annual Budget for that particular financial year.

For the 2017/2018 budget year, the following budget related policies were reviewed:-

1. Budget Policy
2. Virement Policy
3. Funding and Reserves Policy
4. Water Services Policy (Tariff Policy)
5. Credit Control and Debt Collection Policy.
6. Basic Water Services Policy.
7. Indigent Support Policy.
8. Cash Management & Investment Policy.
9. Borrowing Policy
10. Asset Management & Disposal Policy
11. Supply Chain Management Policy

ALIGNMENT OF INTEGRATED DEVELOPMENT PLAN AND BUDGET

Over and above compliance with the MFMA and other legislation, the aim of the Budget is to enable the municipality to achieve its vision and mission through the implementation of all projects and programmes as contained in its Integrated Development Plan. The Integrated Development Plan (IDP) formed basis of the prioritisation of resources as it contains programmes informed by the community needs. All resources have been allocated to priority projects as identified in the IDP.

The alignment of the Integrated Development Plan to the Budget is reflected in the following Schedules:

- Reconciliation of IDP Strategic objectives and Budget (Revenue) – Table SA4
- Reconciliation of IDP Strategic objectives and Budget (Operating Expenditure) – Table SA5
- Reconciliation of IDP Strategic objectives and Budget (Capital Expenditure) – Table SA6

BUDGET ASSUMPTIONS

OPERATING REVENUE

The following are Ugu's main revenue sources:-

1. Service charges for water
2. Service charges for sanitation
3. Grants and subsidies
4. Rental of facilities and equipment, and
5. Other income

Service charges for water and sanitation

The cost of water and sanitation is determined by three factors:

1. The cost of bulk water
2. The capital cost of infrastructure, and
3. The cost of operating and maintaining the infrastructure

For the 2017/2018 Budget, the Council has proposed a **7,00%** (5,70% in 2016/17) increase for water and sanitation charges effective from 01st July 2017. The proposed increase is based on Headline CPI Inflation forecast in 2017. The revenues are further affected by

1. % Increase in electricity and fuel costs;
2. % Increase in the cost of bulk water;
3. Realistically anticipated consumption volumes;
4. local economic conditions and affordability level; and
5. the need to ensure sustainability in the provision of services.

No increase has been effected on the basic charge for sanitation.

The collection rate is based on the average collection trend for the past four years (i.e. 70.0%), however this rate has been applied to the Water revenue only as all collections are paid against the Sanitation debt first, then the remaining cash is paid against the Water debt. The municipality is also anticipating a 100% collection on the grant allocations and other revenues that are collectible in advance.

See: Tariffs of Charges – it provides a detailed list of all Council tariffs and the proposed increases.

FREE AND SUBSIDISED SERVICES

Distribution of water is done via more than 48 000 private household connections and over 4 500 communal stand taps which mainly service the inland rural areas. All households that have access to water receive 6kl a month as *free basic water* which has necessitated an allocation of R24,716,109 to be made in the 2017/2018 Annual Budget to be funded from *Equitable Share*. A further R42,840,966 allocation has been made from *Equitable Share* for water provided through *standpipes*.

A total of 6 696 beneficiaries were recorded on the **Indigent Register** as at 28 February 2017. The municipality has set aside *R24,716,109* from Equitable Share for Indigent Support. Indigent households will receive *6kl free* every month for the 2017/2018 financial year.

OTHER REVENUE

Other revenue consists of Plans Approval fees, disconnection and reconnection fees, new connection fees, tender deposits, rates certificate fees, rental of facilities and other sundry services provided.

See: Tariffs of Charges - detailed list of all council tariffs and the proposed increases.

GRANTS AND SUBSIDIES

The municipality will receive operating grants totalling R430,7 million and capital grants totalling R295,9 million from the National and Provincial Equitable distribution of revenues in the 2017/2018 financial year. These receipts have been disclosed in SA18 of the budget.

Schedule SA19 discloses expenditure on operating grants totalling R447,1 million and capital grants expenditure totalling R279,4 million. Regarding Municipal Infrastructure Grant there is R17 million that is allocated to the Operational Budget for the construction of the VIP Toilets.

SALARIES AND WAGES

The salaries and wages budget have been prepared using the existing Salary Agreement which stipulates a percentage increase equal to the average CPI for the period 01 February 2016 to 31 January 2017 plus 1% for the budget year 2017/2018 (i.e. 6.6% plus 1%). The council had adopted a revised organogram in December 2014 and there are no new positions that have been included in the new organisational structure. During December 2016 the Group benefit for employees was terminated and refunds were made to employees. Hence the total salaries budget, have been decreased compared to the percentage that is specified in the Salary Agreement.

COUNCILLORS ALLOWANCES

A maximum 6% increase for the councillors allowance has been considered for approval by the MEC based on an unqualified audit report that was received by the municipality in the 2015/2016 financial year. The gazette on the Public Office Bearers Act was not available at the stage preparing this draft budget. The budget for the councillors allowance include other costs like the travelling claims (km), which are not gazetted on the Remuneration of Public Office Bearers Act.

DEPRECIATION AND ASSET IMPAIRMENT

The Depreciation and Amortisation has been calculated based on the straight line method and the useful life of the assets as per the approved Asset Management Policy. It amounts to R119,1million in 2017/2018. This amount is not fully cash backed. The municipality is currently updating its FAR and the depreciation amount will be revised based on the completed FAR.

REPAIRS AND MAINTENANCE

The municipality is unable to provide adequate funds for Repairs and Maintenance in the budget, hence the current allocation is below the norm (i.e. 8% of the carrying amount of PPE). The classification of the Chart of Accounts in line with the mSCOA will address the challenges with the current classification of the Salaries and the Contracted Services relating to the maintenance of assets which is currently being accounted for under Salaries and Allowances and, or Contracted Services. Moreover the municipality is currently working on a project to verify all its assets and updating the Asset Register. On completion of this project, the municipality should be able to determine the true value of its assets and therefore plan properly for all the assets related expenditures including, the Repairs and Maintenance, Depreciation and Amortisation as well as the replacements.

BULK WATER PURCHASES

The water supplied by the District is derived from dams, rivers, ground water and bulk purchases from eThekweni / Umgeni Water. The northern coastal strip (i.e. Craigburn, Umzinto and Umtwalume) is serviced by potable water purchased in bulk from Umgeni Water. The cost per kiloliter will increase by 8.10% which necessitated an allocation of R82,8 million for the 2017/2018 financial year.

ELECTRICITY EXPENSE

The electricity cost estimate is based on the 9.4% tariff increase that NERSA has approved for Eskom as well as the consumption trends in our plants for the past four years.

OTHER OPERATING EXPENDITURE

The operating expenditure budget has been prepared in line with the municipality's turnaround strategies as implemented by management, which contains strategies of curbing administrative expenditure to improve the cash flow position of the municipality

CAPITAL EXPENDITURE

Zero-based budgeting method has been used in compiling the capital budget. Council has approved to total capital budget of R360,2 million to be spent in 2017/2018 which is a 2,4% decrease from the final capital budget of R369,1 million in 2016/2017.

Council has embarked on a number of initiatives in order to fast track capital projects. These include:-

- Explore leveraging MIG funding using private sector funds (loans) to bring projects forward, i.e. bridge funding;
- Target quick wins to eradicate backlog in selected municipalities;
- Mobilising additional funding from DWAF to address bulk systems;
- Strategic partnerships with other water utilities, e.g. Umngeni water.
- BOT options are also being considered.

The following sources will be used to fund capital expenditure in the 2017/2018 financial year.

1. Grants and subsidies
2. Internal funds

REFERENCE TO LAST YEAR COMMENTS FROM PROVINCIAL TREASURY AND CORRECTIVE MEASURES UNDERTAKEN BY THE MUNICIPALITY

<u>Provincial Treasury's Comments on the 2016/2017 Budget</u>	<u>The Municipality's Responses and Corrective Actions</u>
Misalignment between the provision for debt impairment and the debt collection rates applied on the service revenues.	The Budgeted Revenue has been estimated more precisely and as result a reduction in revenue. Although the municipality is anticipating an 70% collection rate in 2017/2018 financial year, this rate only applies to water incomes and the other services incomes are collectible in full. Also the municipality has implemented an improved debt collection strategy which has improved the collection of old outstanding debt.
Misalignment between the asset depreciation rate and the rate of increase in municipal assets.	The municipality has established a new Asset Management unit that is updating and correcting errors on the FAR. This project should provide a credible FAR in 2017/18 upon which the depreciation cost estimate is based.
Misalignment between the balance of the Non-Current Provisions in the Statement of Financial Position and the current contributions in the Statement of Financial Performance.	This discrepancy has been addresses in the draft budget 2017/2018.
The major differences in the Capital budgets of the two departments (i.e. Waste Water Management and the Corporate Services) were not explained in	A restructuring process that took place in 2016/2017 moved some units (e.g. the fleet unit) from Water Services to the Corporate Services

the budget documents.	department, hence the related capital budget was moved between the two departments.
The major differences in the Capital budgets of the two departments (i.e. Water Services and the Corporate Services) were not explained in the budget documents	A restructuring process that took place in 2016/2017 moved some units (e.g. the fleet unit) from Water Services to the Corporate Services department, hence the related capital budget was moved between the two departments.
The discrepancy between the disclosure of the Equitable Share (operational and capital transfers recognised) in the A Schedules.	These discrepancies have been corrected in the draft budget 2017/2018.
The differences between the SA18 (Transfers and Grants Receipts) and A7 (Budgeted Cash Flow).	This discrepancy has been corrected in 2017/2018.
The differences between the SA21 (Transfers and Grants made by the municipality) and A7(Budgeted Cash Flow), re: Non-Cash Transfers.	This discrepancy has been corrected in 2017/2018.
The item: Cash and Cash Equivalents at year end the previous year 2014/2015 did not agree to the opening balance for the 2015/2016 budget year.	This discrepancy has been corrected in 2017/2018.

UGU SOUTH COAST TOURISM ENTITY

Ugu controls 100% of the Ugu South Coast Tourism Entity. This Board is entrusted with delivering innovative and cost effective strategies that will ensure a growing, quality tourism economy that creates sustainable jobs and alleviates poverty. Its core functions are Tourism Development and Tourism Marketing, for which Ugu District Municipality has allocated R5,682,006 and R6,840,007 respectively. Other Local Municipalities also make grant contributions to the Entity.

The Board has adopted a total budget of R21,533,640 for the 2017/2018 financial year which is made up of an operating budget of R21,068,311 and a capital budget of R465,329.

SOUTH COAST DEVELOPMENT AGENCY

Ugu controls 100% of the South Coast Development Agency. This entity is an economic development implementing agency of the municipality. It's core functions is to engage in economic development projects that grow the economic development footprint of the municipality. To enable the entity to perform its function, the municipality has allocated an amount of R5,788,125 for the financial year 2016/2018. The other Local Municipalities also make grant contributions to the Agency.

The Board has adopted a total budget of R13,307,573 for the 2017/2018 financial year which is made up of an operating budget of R13,207,573 and a capital budget of R100, 000.

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Service Delivery and Budget Implementation plan is currently being reviewed to include changes made to the Draft Budget. After the consultation process, the Draft will be submitted to the Mayor, within 14 days from the date of the approval of the council.

DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT

Water Service Authority: Ugu District Municipality
Water Service Provider: Ugu District Municipality (*with bulk purchases from Umgeni Water and eThekweni Metro in the northern part of the district. Bulk water is also sold to Sisonke District Municipality*)

Blue Drop Ratings

The municipality water supply systems were awarded a 93.5% score in May 2009, which means that it has very good Drinking Water Quality Management (DWQM) and effectively manages the quality of drinking water in its supply zone. The following are the challenges that led to the non - award of the Blue Drop Classification

Criteria	Requirement	Management Response
Process Controlling	Registration of process controllers (Operators)	Applications for all operators were submitted to DWAF in Feb 2009 and DWA is still working on them. It is anticipated that these will be available by the next review
Credibility of Sample Analysis	Proof that analyses results are used to improve process controlling	The analysis failed to capture that the municipality has an Incident Management Protocol and Register that are used to address and record all deviations and improvements. In addition, the monthly submissions to DWAF have functionality of reporting on what has been done to attend to deviations, which has always been done consistently. It is hoped this will be addressed by the next review.

As part of the Drinking Water Quality Management initiatives, the municipality developed and adopted a **Water Safety Plan** in July 2009, which has guided the management of water services in general. As part of the Safety Plan the following are some of the activities that are already in progress or due for implementation within the next three years;

- Online drinking water monitoring for all water treatment plants and the associated reporting at the operation, tactical and strategic levels
- Establishment of a Control Centre that will drive operations and assist in moving from reactive maintenance to proactive maintenance and to be the key business reporting centre
- Establishment of ISO based quality management systems in a phased manner for water and sanitation services
- Establishing an Asset Management Plan that will drive all maintenance work within the municipality

- Contracting professional and independent persons to undertake process audits for all treatment plants
- Establishing a treatment/process section within the municipality to ensure that the right level of attention and staffing is in place for all treatment plants
- Establishment of a scarce skills allowance to be able to attract and retain suitably qualified personnel

Green Drop Rating

Applications have also been made for all treatment systems within the district and are awaiting the classification results.

Challenges in the management of drinking water and sewerage:

The following are some of the challenges faced in the provision of water and sanitation services in the district and the proposed solution for each challenge.

Issue	Challenge	Recommendation
Pipeline Replacement Program	Majority of pipelines in the urban areas are old AC pipes. Current budget provisions of R10m/yr are inadequate	Allocated funding for a massive AC renewal program and also apply for grant funding
Non-Revenue Water Programme	Budget provisions limit the current program to part of the network at a time which is inadequate.	Seek grant funding to fast track the implementation of the NRW Programmes
Supply and Treatment Constraints	A number of WTW and WWTW are functioning at capacity and certain areas do not have the required 48hr storage	Update Water and Sanitation Master Plans; Upgrade of WTW and WWTW and implementation of Phase 2 of the South Coast Bulk Pipeline
Supply to higher lying areas and consumers along bulk mains	Majority of higher lying areas are connected on bulk mains which do not offer the necessary buffer for maintenance purposes and adequate pressures during high demand periods	Planning and design of supply alternatives to higher lying areas such as elevated towers and network modifications
Telemetry	The telemetry system outdated	SCADA System Review and Master Planning in progress
Rural WTW monitoring	There are currently no staff to man remote rural plants	Online Drinking Water Quality Monitoring and Automation Project in progress
Skills Development	The majority of plumbing staff is not suitable qualified while others are illiterate. This has a great effect on operations.	Conclude the RPL process and establish routine training program for all staff
Utility Mapping	The majority of the pipelines and other drawings for the municipality are old and outdated and in certain places are none existent.	Develop a GIS Strategy to influence utility mapping as a whole and then implement map update and utility books for the different operational areas
Dedicated maintenance crews	With current staffing levels most of the work done is reactive in nature with limited proactive maintenance	Implementation of Shift System and build maintenance crews from the day teams

Municipal annual budgets and MTREF & supporting tables

Version 2.8

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service delivery****national treasury**

Department
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

Eisabé Rossouw
National Treasury
Tel: (012) 315-5534
Electronic submissions
lgdocuments@treasury.gov.za

Preparation Instructions

Municipality Name:

CFO Name:

Tel:

Fax:

E-Mail:

Budget for MTREF starting:

Budget Year: 2017/18

Does this municipality have Entities?

If YES: Identify type of report:

Name Votes & Sub-Votes

Printing Instructions

Showing / Hiding Columns

Showing / Clearing Highlights

Important documents which provide essential assistance

[MFMA Budget Circulars](#)

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DC21 Ugu - Contact information

A. GENERAL INFORMATION

Municipality DC21 Ugu

Grade

5 1 Grade in terms of the Remuneration of Public Office Bearers Act.

Province KZN KWAZULU-NATAL

Web Address www.ugu.gov.zae-mail Address info@ugu.gov.za

B. CONTACT INFORMATION

Postal address:

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City / Town Port Shepstone

Postal Code 4240

Street address

Building Aqua House

Street No. & Name 27 Connor Street

City / Town Port Shepstone

Postal Code 4240

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C. POLITICAL LEADERSHIP

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Mayor/Executive Mayor:

Name

Telephone number

Cell number

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Secretary/PA to the Mayor/Executive Mayor:

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D. MANAGEMENT LEADERSHIP

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Official responsible for submitting financial information

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DC21 Ugu - Table A1 Consolidated Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	277 995	295 020	316 108	473 667	408 170	367 761	387 761	429 071	450 525	473 051
Investment revenue	10 970	16 025	26 609	15 568	16 433	15 611	15 611	20 813	21 853	22 946
Transfers recognised - operational	229 567	341 199	382 648	408 662	421 978	400 879	400 879	448 275	470 689	494 223
Other own revenue	14 504	23 746	22 551	16 609	20 267	19 253	19 253	16 966	17 835	18 727
Total Revenue (excluding capital transfers and contributions)	533 037	675 991	747 915	914 506	866 847	823 505	823 505	915 145	960 902	1 008 947
Employee costs	246 106	274 840	302 629	332 850	338 926	321 979	321 979	348 245	365 657	383 940
Remuneration of councillors	7 938	9 146	9 544	11 874	11 054	10 502	10 502	13 235	13 897	14 592
Depreciation & asset impairment	198 475	337 860	196 103	123 604	128 645	122 213	122 213	119 347	125 315	131 580
Finance charges	15 818	12 813	13 556	15 776	11 001	10 450	10 450	10 471	10 994	11 544
Materials and bulk purchases	52 775	56 290	79 151	90 168	87 394	83 024	83 024	91 764	96 352	101 169
Transfers and grants	55 926	29 478	20 327	40 028	17 438	16 566	16 566	18 310	19 226	20 187
Other expenditure	145 847	189 912	308 634	297 963	333 763	317 075	317 075	308 383	323 803	339 993
Total Expenditure	722 885	910 339	928 944	912 263	928 221	881 810	881 810	909 755	955 243	1 003 005
Surplus/(Deficit)	(189 848)	(234 348)	(181 029)	2 243	(61 374)	(58 305)	(58 305)	5 389	5 659	5 942
Transfers recognised - capital	437 602	385 804	355 696	310 862	299 108	284 152	284 152	278 851	292 794	307 433
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	247 754	151 455	174 667	313 105	237 734	225 847	225 847	284 240	298 452	313 375
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	247 754	151 455	174 667	313 105	237 734	225 847	225 847	284 240	298 452	313 375
Capital expenditure & funds sources										
Capital expenditure	306 216	325 786	364 251	369 147	349 233	331 772	331 772	360 716	378 752	397 689
Transfers recognised - capital	294 998	313 934	355 430	310 862	299 108	284 152	284 152	278 851	292 794	307 433
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	11 219	11 853	8 821	58 285	50 126	47 619	47 619	81 865	85 958	90 256
Total sources of capital funds	306 216	325 786	364 251	369 147	349 233	331 772	331 772	360 716	378 752	397 689
Financial position										
Total current assets	330 991	434 431	412 749	585 707	545 713	518 428	518 428	354 837	372 579	391 208
Total non current assets	3 555 457	3 629 281	4 037 501	4 065 021	4 299 332	4 084 365	4 084 365	4 082 543	4 286 670	4 501 003
Total current liabilities	216 990	259 747	254 342	236 476	271 693	258 108	258 108	274 314	288 029	302 431
Total non current liabilities	189 965	173 016	155 407	141 098	140 398	133 379	133 379	115 752	95 623	74 488
Community wealth/Equity	3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 047 314	4 275 596	4 515 292
Cash flows										
Net cash from (used) operating	422 933	433 798	414 183	490 109	370 798	352 258	352 258	271 470	285 043	299 296
Net cash from (used) investing	(306 059)	(324 401)	(364 087)	(369 052)	(349 233)	(331 772)	(331 772)	(360 462)	(378 485)	(397 409)
Net cash from (used) financing	(23 135)	(20 175)	(20 385)	(17 857)	(16 029)	(15 227)	(15 227)	(19 628)	(20 609)	(21 639)
Cash/cash equivalents at the year end	168 625	246 549	276 261	366 909	281 797	281 520	281 520	173 178	59 128	(60 625)
Cash backing/surplus reconciliation										
Cash and investments available	168 625	246 549	276 261	380 102	280 297	266 282	266 282	173 178	181 837	190 929
Application of cash and investments	7 598	16 933	64 698	14 959	(24 944)	(23 697)	(23 697)	93 736	98 423	103 344
Balance - surplus (shortfall)	161 027	229 616	211 563	365 142	305 242	289 980	289 980	79 442	83 414	87 584
Asset management										
Asset register summary (WDV)	3 555 450	3 629 010	4 037 400	4 054 831	4 298 992	4 084 042	4 081 893	4 081 893	4 285 987	4 500 287
Depreciation & asset impairment	198 475	337 860	195 103	123 604	128 645	122 213	119 347	119 347	125 315	131 580
Renewal of Existing Assets	61 320	–	–	33 559	–	–	–	278 851	292 794	307 433
Repairs and Maintenance	17 173	52 638	63 151	70 636	68 636	65 204	66 839	66 839	70 181	73 690
Free services										
Cost of Free Basic Services provided	55 566	25 214	54 480	65 498	65 498	62 223	70 037	70 037	73 539	77 216
Revenue cost of free services provided	3 593	22 983	17 631	32 618	32 618	30 987	32 618	32 618	34 249	35 961
Households below minimum service level										
Water:	0	0	0	0	0	0	0	0	0	0
Sanitation/sewerage:	0	0	0	0	0	0	0	0	0	0
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

DC21 Ugu - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Standard										
Governance and administration		192 751	234 151	393 772	182 024	182 624	173 493	205 487	215 761	226 550
Executive and council		2 460	2 624	2 083	2 188	2 188	2 079	2 356	2 474	2 597
Budget and treasury office		189 772	231 525	390 746	178 787	179 387	170 418	201 488	211 562	222 140
Corporate services		518	2	944	1 049	1 049	996	1 644	1 726	1 812
Community and public safety		6 668	7 586	329	7 354	12 354	11 737	7 767	8 156	8 563
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		458	309	220	254	254	242	241	253	266
Public safety		6 201	7 277	109	7 100	12 100	11 495	7 526	7 902	8 297
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		287 860	287 228	257 398	60 970	74 580	70 851	73 632	77 314	81 179
Planning and development		284 122	277 022	256 450	43 180	56 790	53 950	54 806	57 545	60 422
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		3 738	10 206	948	17 790	17 790	16 900	18 827	19 769	20 757
Trading services		481 634	531 545	451 251	974 770	896 247	851 435	906 945	952 292	999 906
Electricity		-	-	-	-	-	-	-	-	-
Water		377 277	424 952	343 848	855 299	776 775	737 937	786 053	825 356	866 624
Waste water management		104 357	106 593	107 403	119 472	119 472	113 498	120 891	126 936	133 283
Waste management		-	-	-	-	-	-	-	-	-
Other	4	1 726	1 284	862	250	150	143	165	173	182
Total Revenue - Standard	2	970 639	1 061 794	1 103 611	1 225 368	1 165 955	1 107 657	1 193 996	1 253 696	1 316 380
Expenditure - Standard										
Governance and administration		128 946	133 375	193 779	218 900	228 152	216 745	229 095	240 550	252 577
Executive and council		43 193	38 539	55 583	64 170	62 748	59 611	62 639	65 771	69 059
Budget and treasury office		30 199	30 963	34 984	44 042	49 650	47 167	47 304	49 669	52 152
Corporate services		55 554	63 873	103 212	110 689	115 755	109 967	119 153	125 110	131 366
Community and public safety		8 912	81 581	2 981	6 100	6 100	5 795	8 824	9 285	9 729
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		1 549	77 214	465	-	-	-	390	410	430
Public safety		7 364	4 367	2 515	6 100	6 100	5 795	8 434	8 856	9 299
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69 336	70 460	44 031	81 468	95 825	91 034	98 317	103 232	108 394
Planning and development		60 399	56 054	27 825	63 009	77 225	73 364	78 462	82 385	86 504
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		8 938	14 406	16 207	18 458	18 600	17 670	19 855	20 848	21 890
Trading services		514 866	624 139	687 108	604 635	596 983	567 134	572 069	600 672	630 706
Electricity		-	-	-	-	-	-	-	-	-
Water		472 105	555 936	595 005	516 772	506 945	481 597	485 929	510 226	535 737
Waste water management		42 761	68 203	92 103	87 863	90 039	85 537	86 139	90 446	94 969
Waste management		-	-	-	-	-	-	-	-	-
Other	4	825	784	1 045	1 160	1 160	1 102	1 451	1 523	1 600
Total Expenditure - Standard	3	722 885	910 339	928 944	912 263	928 221	881 810	909 755	955 243	1 003 005
Surplus/(Deficit) for the year		247 754	151 455	174 667	313 105	237 734	225 847	284 240	298 452	313 375

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

DC21 Ugu - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote											
Vote 1 - EXECUTIVE & COUNCIL	1		2 460	2 624	2 083	2 188	2 188	2 079	2 356	2 474	2 597
Vote 2 - FINANCE & ADMINISTRATION			190 291	231 527	391 689	179 836	180 436	171 414	203 131	213 288	223 952
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT			284 122	277 022	256 450	43 180	56 790	53 950	54 805	57 545	60 422
Vote 4 - WATER			377 277	424 952	343 848	855 299	776 775	737 937	786 053	825 356	866 624
Vote 5 - WASTE WATER MANAGEMENT			104 357	106 593	107 403	119 472	119 472	113 498	120 891	126 936	133 283
Vote 6 - PUBLIC SAFETY			6 201	7 277	109	7 100	12 100	11 495	7 526	7 902	8 297
Vote 7 - ENVIRONMENTAL PROTECTION			3 738	10 206	948	17 790	17 790	16 900	18 827	19 769	20 757
Vote 8 - OTHER: MARKET			1 726	1 284	862	250	150	143	165	173	182
Vote 9 - SPORTS & RECREATION			468	309	220	254	254	242	241	253	266
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2		970 639	1 061 794	1 103 611	1 225 368	1 165 955	1 107 657	1 193 996	1 253 696	1 316 380
Expenditure by Vote to be appropriated											
Vote 1 - EXECUTIVE & COUNCIL	1		43 193	38 539	55 583	64 170	62 748	59 611	62 639	65 771	69 059
Vote 2 - FINANCE & ADMINISTRATION			85 753	94 836	138 196	154 731	165 404	157 134	166 456	174 779	183 516
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT			60 399	56 054	27 825	63 009	77 225	73 364	78 462	82 385	86 504
Vote 4 - WATER			472 105	555 936	595 005	516 772	508 945	481 597	485 929	510 226	535 737
Vote 5 - WASTE WATER MANAGEMENT			42 761	68 203	92 103	87 863	90 039	85 537	86 139	90 446	94 969
Vote 6 - PUBLIC SAFETY			7 364	4 367	2 515	6 100	6 100	5 795	8 434	8 856	9 299
Vote 7 - ENVIRONMENTAL PROTECTION			8 938	14 406	16 207	18 458	18 500	17 670	19 855	20 848	21 890
Vote 8 - OTHER: MARKET			825	784	1 045	1 160	1 160	1 102	1 451	1 523	1 600
Vote 9 - SPORTS & RECREATION			1 549	77 214	465	-	-	-	390	410	430
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2		722 885	910 339	928 944	912 263	928 221	881 810	909 755	955 243	1 003 005
Surplus/(Deficit) for the year	2		247 754	151 455	174 667	313 105	237 734	225 847	284 240	298 452	313 375

References

1. Insert 'Vote', e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

DC21 Ugu - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	184 218	192 674	208 858	361 387	295 889	281 094	281 094	281 094	315 836	331 627	348 209
Service charges - sanitation revenue	2	93 777	102 346	107 250	112 281	112 281	106 667	106 667	106 667	113 236	118 898	124 843
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		2 194	2 430	1 089	1 249	1 149	1 092	1 092	1 092	1 160	1 218	1 279
Interest earned - external investments		10 970	16 025	26 609	15 568	16 433	15 611	15 611	15 611	20 813	21 853	22 946
Interest earned - outstanding debtors		3 192	3 490	4 019	3 802	3 802	3 612	3 612	3 612	3 848	4 041	4 243
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		229 567	341 199	382 648	408 662	421 978	400 879	400 879	400 879	448 275	470 689	494 223
Other revenue	2	9 118	16 964	16 630	11 558	15 316	14 550	14 550	14 550	11 977	12 576	13 205
Gains on disposal of PPE		-	862	813	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			533 037	675 991	747 915	914 506	866 847	823 505	823 505	915 145	960 902	1 008 947
Expenditure By Type												
Employee related costs	2	246 106	274 840	302 629	332 850	338 926	321 979	321 979	321 979	348 245	365 657	383 940
Remuneration of councillors		7 938	9 146	9 544	11 874	11 054	10 502	10 502	10 502	13 235	13 897	14 592
Debt impairment	3	26	18	97 093	38 159	33 609	31 928	31 928	31 928	3 025	3 176	3 335
Depreciation & asset impairment	2	198 475	337 860	195 103	123 604	128 645	122 213	122 213	122 213	119 347	125 315	131 580
Finance charges		15 818	12 813	13 556	15 776	11 001	10 450	10 450	10 450	10 471	10 994	11 544
Bulk purchases	2	46 954	52 626	66 091	81 468	78 859	74 916	74 916	74 916	82 802	86 942	91 289
Other materials	8	5 821	3 664	13 060	8 700	8 535	8 109	8 109	8 109	8 962	9 410	9 881
Contracted services		19 680	19 964	22 808	29 683	36 965	35 117	35 117	35 117	35 558	37 336	39 203
Transfers and grants		55 926	29 478	20 327	40 028	17 438	16 566	16 566	16 566	18 310	19 226	20 187
Other expenditure	4, 5	124 763	169 930	188 732	230 121	263 189	250 029	250 029	250 029	269 800	283 290	297 455
Loss on disposal of PPE		1 378	-	-	-	-	-	-	-	-	-	-
Total Expenditure			722 885	910 339	928 944	912 263	928 221	881 810	881 810	909 755	955 243	1 003 005
Surplus/(Deficit)												
Transfers recognised - capital		(189 848)	(234 348)	(181 029)	2 243	(61 374)	(58 305)	(58 305)	(58 305)	5 389	5 659	5 942
Contributions recognised - capital	6	437 602	385 804	355 696	310 862	299 108	284 152	284 152	284 152	278 851	292 794	307 433
Contributed assets		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			247 754	151 455	174 667	313 105	237 734	225 847	225 847	284 240	298 452	313 375
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			247 754	151 455	174 667	313 105	237 734	225 847	225 847	284 240	298 452	313 375
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			247 754	151 455	174 667	313 105	237 734	225 847	225 847	284 240	298 452	313 375
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			247 754	151 455	174 667	313 105	237 734	225 847	225 847	284 240	298 452	313 375

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method

DC21 Ugu - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 4 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 5 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 7 - ENVIRONMENTAL PROTECTION		-	-	-	-	-	-	-	-	-	-
Vote 8 - OTHER: MARKET		-	-	-	-	-	-	-	-	-	-
Vote 9 - SPORTS & RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total:	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE & COUNCIL		-	599	129	2 640	2 453	2 331	2 331	1 000	1 050	1 103
Vote 2 - FINANCE & ADMINISTRATION		1 881	11 766	10 720	44 055	39 522	37 546	37 546	49 150	51 608	54 188
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		202	-	-	590	355	337	337	565	593	623
Vote 4 - WATER		278 094	289 821	348 608	238 418	252 175	239 567	239 567	227 851	239 244	251 206
Vote 5 - WASTE WATER MANAGEMENT		22 459	23 600	4 631	82 444	48 432	46 011	46 011	81 500	85 575	89 854
Vote 6 - PUBLIC SAFETY		3 555	-	163	1 000	6 000	5 700	5 700	-	-	-
Vote 7 - ENVIRONMENTAL PROTECTION		-	-	-	-	295	280	280	650	683	717
Vote 8 - OTHER: MARKET		-	-	-	-	-	-	-	-	-	-
Vote 9 - SPORTS & RECREATION		25	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total:		306 216	325 786	364 251	369 147	349 233	331 772	331 772	360 716	378 752	397 689
Total Capital Expenditure - Vote		306 216	325 786	364 251	369 147	349 233	331 772	331 772	360 716	378 752	397 689
Capital Expenditure - Standard											
Governance and administration		1 881	12 365	10 849	46 695	41 976	39 877	39 877	50 150	52 658	55 290
Executive and council		-	599	129	2 640	2 453	2 331	2 331	1 000	1 050	1 103
Budget and treasury office		-	-	73	15 000	7 085	6 731	6 731	3 000	3 150	3 308
Corporate services		1 881	11 766	10 647	29 055	32 437	30 815	30 815	46 150	48 458	50 880
Community and public safety		3 581	-	163	1 000	6 000	5 700	5 700	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		25	-	-	-	-	-	-	-	-	-
Public safety		3 555	-	163	1 000	6 000	5 700	5 700	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		202	-	-	590	355	337	337	565	593	623
Planning and development		202	-	-	590	355	337	337	565	593	623
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	295	280	280	650	683	717
Trading services		300 553	313 421	353 239	320 862	300 608	285 577	285 577	309 351	324 819	341 059
Electricity		-	-	-	-	-	-	-	-	-	-
Water		278 094	289 821	348 608	238 418	252 175	239 567	239 567	227 851	239 244	251 206
Waste water management		22 459	23 600	4 631	82 444	48 432	46 011	46 011	81 500	85 575	89 854
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	306 216	325 786	364 251	369 147	349 233	331 772	331 772	360 716	378 752	397 689
Funded by:											
National Government		294 998	297 015	307 058	310 852	299 108	284 152	284 152	278 851	292 794	307 433
Provincial Government		-	16 918	48 373	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	294 998	313 934	355 430	310 852	299 108	284 152	284 152	278 851	292 794	307 433
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds	6	11 219	11 853	8 821	58 285	50 125	47 619	47 619	81 865	85 958	90 256
Total Capital Funding	7	306 216	325 786	364 251	369 147	349 233	331 772	331 772	360 716	378 752	397 689

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by standard classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
7. Total Capital Funding must balance with Total Capital Expenditure
8. Include any capitalised interest (M&A section 46) as part of relevant capital budget

DC21 Ugu - Table A6 Consolidated Budgeted Financial Position

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
ASSETS													
Current assets													
Cash			163 675	50 622	63 364	146 918	48 614	46 183	46 183	32 954	34 601	36 331	
Call investment deposits	1		8 293	222 080	215 203	233 184	233 184	221 524	221 524	140 224	147 236	154 597	
Consumer debtors	1		130 849	96 262	59 351	127 573	202 165	192 056	192 056	138 306	145 221	152 482	
Other debtors			20 072	50 989	63 295	56 215	30 215	28 704	28 704	22 661	23 794	24 984	
Current portion of long-term receivables			32	52	12	36	36	34	34	217	228	239	
Inventory	2		8 069	14 426	11 524	21 781	31 500	29 925	29 925	20 475	21 499	22 574	
Total current assets			330 991	434 431	412 749	585 707	545 713	518 428	518 428	354 837	372 579	391 208	
Non current assets													
Long-term receivables		7		271	101	189	339	322	322	650	683	717	
Investments						-	-	-	-	-	-	-	
Investment property			14 600	29 403	29 500	32 417	29 500	28 025	28 025	30 000	31 500	33 075	
Investment in Associate						-	-	-	-	-	-	-	
Property, plant and equipment	3		3 531 226	3 590 626	3 996 396	4 015 300	4 257 988	4 045 089	4 045 089	4 042 114	4 244 220	4 456 431	
Agricultural						-	-	-	-	-	-	-	
Biological						-	-	-	-	-	-	-	
Intangible			9 624	8 981	11 504	7 114	11 504	10 929	10 929	9 779	10 267	10 781	
Other non-current assets						-	-	-	-	-	-	-	
Total non current assets			3 555 457	3 629 281	4 037 501	4 055 021	4 299 332	4 084 365	4 084 365	4 082 543	4 286 670	4 501 003	
TOTAL ASSETS			3 886 448	4 063 711	4 450 251	4 640 728	4 845 045	4 602 793	4 602 793	4 437 380	4 659 248	4 892 211	
LIABILITIES													
Current liabilities													
Bank overdraft	1		3 343	26 152	2 306	-	1 500	1 425	1 425	-	-	-	
Borrowing	4		21 630	21 979	19 728	18 277	18 277	17 363	17 363	20 714	21 750	22 837	
Consumer deposits			19 725	20 034	20 607	21 456	21 730	20 643	20 643	22 816	23 957	25 155	
Trade and other payables	4		165 558	171 312	185 986	174 395	207 840	197 448	197 448	207 320	217 686	228 570	
Provisions			16 733	20 269	25 716	22 346	22 346	21 229	21 229	23 464	24 637	25 869	
Total current liabilities			216 990	259 747	254 342	236 476	271 693	258 108	258 108	274 314	288 029	302 431	
Non current liabilities													
Borrowing			165 364	144 531	125 826	109 524	109 524	104 048	104 048	83 333	61 584	38 746	
Provisions			24 600	28 484	29 582	31 575	30 875	29 331	29 331	32 419	34 039	35 741	
Total non current liabilities			189 965	173 016	155 407	141 098	140 398	133 379	133 379	115 752	95 623	74 488	
TOTAL LIABILITIES			406 954	432 762	409 749	377 574	412 091	391 487	391 487	390 066	383 653	376 919	
NET ASSETS			5	3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 275 596	4 515 292	
COMMUNITY WEALTH/EQUITY													
Accumulated Surplus/(Deficit)			3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 047 314	4 275 596	4 515 292	
Reserves	4		-	-	-	-	-	-	-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY			5	3 479 494	3 630 949	4 040 501	4 263 154	4 432 954	4 211 306	4 211 306	4 047 314	4 275 596	4 515 292

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

DC21 Ugu - Table A7 Consolidated Budgeted Cash Flows

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges						-	-	-	-	-	-	-
Service charges			286 747	331 609	316 108	412 091	412 091	391 486	391 486	300 350	315 368	331 136
Other revenue					17 719	12 785	16 465	15 642	15 642	13 137	13 794	14 484
Government - operating	1		432 690	321 618	321 618	408 662	421 978	400 879	400 879	448 275	470 689	494 223
Government - capital	1		234 306	384 636	416 726	310 862	299 462	284 489	284 489	278 851	292 794	307 433
Interest			14 163	19 515	30 628	19 356	20 234	19 223	19 223	24 661	25 894	27 189
Dividends						-	-	-	-	-	-	-
Payments												
Suppliers and employees			(254 390)	(283 986)	(654 732)	(620 842)	(770 994)	(732 444)	(732 444)	(765 023)	(803 274)	(843 438)
Finance charges			(15 818)	(12 813)	(13 556)	(15 776)	(11 001)	(10 450)	(10 450)	(10 471)	(10 995)	(11 544)
Transfers and Grants	1		(274 766)	(326 781)	(20 327)	(37 028)	(17 438)	(16 566)	(16 566)	(18 310)	(19 226)	(20 187)
NET CASH FROM/(USED) OPERATING ACTIVITIES			422 933	433 798	414 183	490 109	370 798	352 258	352 258	271 470	285 043	299 296
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			75	885	963	-	150	143	143	-	-	-
Decrease (Increase) in non-current debtors			63	(263)	210	-	-	-	-	(311)	(326)	(342)
Decrease (increase) other non-current receivables			19	(20)	-	95	(150)	(143)	(143)	-	-	-
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets			(306 216)	(325 004)	(365 260)	(369 147)	(349 233)	(331 772)	(331 772)	(360 151)	(378 159)	(397 066)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(306 059)	(324 401)	(364 067)	(369 052)	(349 233)	(331 772)	(331 772)	(360 462)	(378 485)	(397 409)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			346	309	573	421	273	259	259	1 086	1 141	1 198
Payments												
Repayment of borrowing			(23 480)	(20 484)	(20 957)	(18 277)	(16 302)	(15 487)	(15 487)	(20 714)	(21 750)	(22 837)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(23 135)	(20 175)	(20 385)	(17 857)	(16 029)	(15 227)	(15 227)	(19 628)	(20 609)	(21 639)
NET INCREASE/ (DECREASE) IN CASH HELD			93 739	89 222	29 711	103 200	5 536	5 260	5 260	(108 619)	(114 050)	(119 753)
Cash/cash equivalents at the year begin:	2		74 886	157 328	246 549	263 709	276 261	276 261	276 261	281 797	173 178	59 128
Cash/cash equivalents at the year end:	2		168 625	246 549	276 261	366 909	281 797	281 520	281 520	173 178	59 128	(60 625)

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

DC21 Ugu - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	168 625	246 549	276 261	366 909	281 797	281 520	281 520	173 178	59 128	(60 625)
Other current investments > 90 days		0	–	–	13 193	(1 500)	(15 238)	(15 238)	–	122 709	251 554
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		168 625	246 549	276 261	380 102	280 297	266 282	266 282	173 178	181 837	190 929
Application of cash and investments											
Unspent conditional transfers		48 333	21 366	8 730	23 556	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(40 736)	(4 433)	55 968	(8 596)	(24 944)	(23 697)	(23 697)	93 736	98 423	103 344
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		7 598	16 933	64 698	14 959	(24 944)	(23 697)	(23 697)	93 736	98 423	103 344
Surplus(shortfall)		161 027	229 616	211 563	365 142	305 242	289 980	289 980	79 442	83 414	87 584

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

DC21 Ugu - Table A9 Consolidated Asset Management

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE											
Total New Assets		1	244 897	325 786	364 251	335 588	349 233	331 772	81 865	85 958	90 256
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			225 028	281 738	280 883	237 597	251 175	238 617	9 500	9 975	10 474
Infrastructure - Sanitation			4 063	20 858	47 805	47 206	46 432	46 011	20 000	21 000	22 050
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			229 091	302 596	328 688	284 803	299 608	284 627	29 500	30 975	32 524
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	13 323	20 704	30 661	50 785	49 626	47 144	52 365	54 983	57 732
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			2 483	2 487	4 902	-	-	-	-	-	-
Total Renewal of Existing Assets		2	61 320	-	-	33 559	-	-	278 851	292 794	307 433
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			39 858	-	-	8 000	-	-	217 351	228 219	239 629
Infrastructure - Sanitation			18 396	-	-	25 559	-	-	61 500	64 575	67 804
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			58 254	-	-	33 559	-	-	278 851	292 794	307 433
Community			3 066	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Capital Expenditure		4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			264 886	281 738	280 883	245 597	251 175	238 617	226 661	238 194	250 103
Infrastructure - Sanitation			22 459	20 858	47 805	72 785	48 432	46 011	81 500	85 575	89 854
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			287 344	302 596	328 688	318 362	299 608	284 627	308 351	323 769	339 957
Community			3 066	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			13 323	20 704	30 661	50 785	49 626	47 144	52 365	54 983	57 732
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			2 483	2 487	4 902	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		2	306 216	325 786	364 251	369 147	349 233	331 772	360 716	378 752	397 689
ASSET REGISTER SUMMARY - PPE (WDV)		5									
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			2 239 312	2 791 080	2 503 683	3 059 389	2 688 523	2 535 096	2 416 514	2 537 340	2 664 207
Infrastructure - Sanitation			675 586	604 238	1 294 172	703 541	1 342 604	1 275 474	1 343 041	1 410 193	1 480 703
Infrastructure - Other			2 444	5 092	-	5 356	-	-	-	-	-
Infrastructure			2 917 342	3 400 410	3 797 865	3 768 267	4 011 127	3 810 571	3 759 555	3 947 533	4 144 910
Community			96 501	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			14 600	29 403	29 500	32 417	29 500	28 025	30 000	31 500	33 075
Other assets			517 382	190 216	198 530	247 033	246 861	234 518	282 559	296 687	311 521
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			9 624	8 981	11 504	7 114	11 504	10 929	9 779	10 267	10 781
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	3 555 450	3 629 010	4 037 400	4 054 831	4 298 992	4 084 042	4 081 893	4 285 987	4 500 287
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment			198 475	337 880	195 103	123 604	128 645	122 213	119 347	125 315	131 580
Repairs and Maintenance by Asset Class		3	17 173	52 638	63 151	70 638	68 636	65 204	68 839	70 181	73 690
Infrastructure - Road transport			1 463	854	1 145	5 799	5 634	5 353	5 487	5 761	6 049
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			8 317	15 057	18 064	20 695	20 109	19 104	19 583	20 562	21 590
Infrastructure - Sanitation			699	4 342	5 210	3 300	3 206	3 046	3 122	3 279	3 443
Infrastructure - Other			-	-	-	3 063	2 876	2 827	2 898	3 043	3 195
Infrastructure			10 480	20 354	24 419	32 857	31 926	30 330	31 091	32 645	34 278
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6, 7	6 693	32 284	38 732	37 779	36 709	34 874	35 748	37 536	39 413
TOTAL EXPENDITURE OTHER ITEMS			215 648	390 498	258 254	194 240	197 281	187 417	186 187	195 496	205 271
Renewal of Existing Assets as % of total capex			20.0%	0.0%	0.0%	9.1%	0.0%	0.0%	77.3%	77.3%	77.3%
Renewal of Existing Assets as % of deprecn"			30.9%	0.0%	0.0%	27.2%	0.0%	0.0%	233.6%	233.6%	233.6%
R&M as a % of PPE			0.5%	1.5%	1.6%	1.8%	1.6%	1.6%	1.7%	1.7%	1.7%
Renewal and R&M as a % of PPE			2.0%	1.0%	2.0%	3.0%	2.0%	2.0%	8.0%	8.0%	8.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category

DC21 Ugu - Table A10 Consolidated basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		46	30	32	33	33	33	35	38	38
Piped water inside yard (but not in dwelling)		22	14	15	15	15	15	16	17	18
Using public tap (at least min.service level)	2	60	58	61	64	64	64	67	70	74
Other water supply (at least min.service level)	4	26	28	29	31	31	31	32	34	36
Minimum Service Level and Above sub-total		154	130	137	143	143	143	150	158	168
Using public tap (< min.service level)	3	5	25	26	26	26	28	29	30	32
Other water supply (< min.service level)	4	26	26	27	29	29	29	30	32	33
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		31	51	54	56	56	56	59	62	65
Total number of households	5	185	181	190	200	200	200	210	220	231
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		34	35	37	39	39	39	41	43	45
Flush toilet (with septic tank)		14	15	16	17	17	17	17	18	19
Chemical toilet		15	18	19	20	20	20	21	22	23
Pit toilet (ventilated)		53	58	61	64	64	64	67	70	74
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		116	126	132	139	139	139	146	153	161
Bucket toilet		3	3	3	3	3	3	3	4	4
Other toilet provisions (< min.service level)		54	49	51	54	54	54	57	60	63
No toilet provisions		8	8	8	9	9	9	9	10	10
Below Minimum Service Level sub-total		65	60	63	66	66	66	69	73	77
Total number of households	5	181	188	195	205	205	205	215	226	237
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		55 566	25 214	54 480	65 498	65 498	62 223	70 037	73 539	77 216
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		55 566	25 214	54 480	65 498	65 498	62 223	70 037	73 539	77 216
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (Impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and Impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		3 593	22 983	17 631	32 618	32 618	30 987	32 618	34 249	35 981
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	8	3 593	22 983	17 631	32 618	32 618	30 987	32 618	34 249	35 981

References

1. Include services provided by another entity, e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service

[illegible]

DC21 Ugu - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	Vote 1 - EXECUTIVE & COUNCIL	Vote 2 - FINANCE & ADMINISTRATI ON	Vote 3 - INFRASTRUCT URE & ECONOMIC DEVELOPMEN	Vote 4 - WATER	Vote 5 - WASTE WATER MANAGEMEN T	Vote 6 - PUBLIC SAFETY	Vote 7 - ENVIRONMEN TAL PROTECTION	Vote 8 - OTHER: MARKET	Vote 9 - SPORTS & RECREATION	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates																	-
Property rates - penalties & collection charges																	-
Service charges - electricity revenue																	-
Service charges - water revenues					315 836	113 236											429 071
Service charges - sanitation revenue																	-
Service charges - refuse revenue									185	241							1 100
Service charges - other					754												20 813
Rental of facilities and equipment			20 000	813													3 848
Interest earned - external investments					3 848												-
Interest earned - outstanding debtors																	-
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services			8	5 180	5 508	741		500									11 977
Other revenue																	448 275
Transfers recognised - operational		2 358	183 124	48 832	181 196	6 914	7 526	19 327									-
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		2 358	203 131	54 805	507 202	128 891	7 526	19 827	165	241	-	-	-	-	-	-	915 145
Expenditure By Type																	
Employee related costs		36 421	63 329	32 848	166 847	32 007		16 994									348 245
Remuneration of councillors		11 812		1 423													13 235
Debt impairment				25	2 073	627											3 025
Depreciation & asset impairment			2 759	280	102 396	19 833											119 347
Finance charges				-	2 579	7 862											10 471
Bulk purchases					82 802												82 802
Other materials					5 649	3 313											8 962
Contracted services		300	25 678	43	7 127	2 413											35 558
Transfers and grants				18 310			8 434	2 891	1 451	390							18 310
Other expenditure		14 106	74 693	25 524	116 667	25 868											268 800
Loss on disposal of PPE																	-
Total Expenditure		62 839	166 485	78 482	485 929	85 139	8 434	19 655	1 451	390	-	-	-	-	-	-	906 735
Surplus/(Deficit)		(60 283)	36 675	(23 657)	21 273	34 752	(808)	(1 027)	(1 286)	(149)	-	-	-	-	-	-	5 389
Transfers recognised - capital																	-
Contributions recognised - capital					278 851												278 851
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(60 283)	36 675	(23 657)	300 124	34 752	(808)	(1 027)	(1 286)	(149)	-	-	-	-	-	-	284 240

References

1. Departmental columns to be based on municipal organisation structure

Total capital expenditure includes expenditure on nationally significant priorities:

[illegible]

DC21 Ugu - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Good Governance	Financial Management			103 180	103 180	229 798	178 787	179 836	170 844	201 488	211 562	222 140	
Good Governance	Human Resources Management									-	-	-	
Good Governance	Support services			1 410	1 410	755	3 447	3 447	3 275	3 438	3 610	3 791	
Good Governance	Institutional Transformation			889	889				-	1 636	1 718	1 804	
Good Governance	Strategic Planning			278	278	250	400	400	380	400	420	441	
Economic Development	Agricultural Market			1 903	1 903	1 284	250	100	95	165	173	182	
Economic Development	Local Economic Development			13 174	13 174	4 736	19 443	19 443	18 471	20 678	21 711	22 797	
Environmental Protection	Environmental Services			8 863	8 863	10 206	17 790	17 790	16 900	18 827	19 769	20 757	
Community	Sports & Recreation			468	468	309	254	254	242	241	253	266	
Safety & Security	Fire Fighting			4 686	4 686	-	1 636	436	414	1 734	1 821	1 912	
Safety & Security	Disaster Management			14 679	14 679	7 277	5 464	5 664	5 381	6 700	7 035	7 387	
Sustainable Services	Sanitation			100 105	100 105	104 180	119 472	119 472	113 498	120 708	126 743	133 081	
Sustainable Services	Water			721 005	812 161	744 816	878 425	819 113	778 158	817 981	858 880	901 824	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	970 639	1 061 794	1 103 811	1 225 368	1 165 955	1 107 657	1 193 996	1 253 696	1 316 380

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

DC21 Ugu - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Financial Viability	Financial Management			30 169	31 008	34 984	42 873	42 873	40 730	46 754	49 091	51 646
Good Governance	Human Resources Management			254 044	267 421	302 629	333 453	329 015	312 685	346 245	366 657	383 940
Good Governance	Communication Services								-	-	-	-
Good Governance	Public Participation			1 502	223	536	1 500	2 000	1 900	1 410	1 481	1 555
Good Governance	Support Services						1 041		-	-	-	-
Good Governance	Strategic Planning			896	650	150	400	400	380	400	420	441
Good Governance	Shared Services Strategy								-	-	-	-
Institutional Transformation	Skills Training & Development			1 615	2 605	2 605	3 000	2 600	2 470	3 000	3 150	3 308
Institutional Transformation	Employee Assistance Programmes			49	93	96	150	147	139	125	131	138
Institutional Transformation	Occupational Health & Safety				83	80	950	941	894	500	525	551
Social Development	Special Programmes			486		1 057	4 580	5 383	5 113	5 752	6 039	6 341
Social Development	Culture								-	-	-	-
Social Development	Sports Development			1 549	1 351	131	4 000	2 900	2 755	1 500	1 575	1 654
Economic Development	Agricultural Market			277		1 045	1 180	1 160	1 102	390	410	430
Economic Development	Local Economic Development			1 423	554	2 548	1 257	2 005	1 604	2 105	2 210	2 321
Economic Development	Tourism Marketing			4 875	6 442	5 154	6 794	6 514	6 189	6 840	7 162	7 541
Economic Development	Tourism Development			5 843	4 602	5 250	5 411	5 411	5 141	5 682	5 968	6 284
Environmental Protection	Climate Change Vulnerability Assessment			-	-		110	120	114	150	168	185
Environmental Protection	Environmental Services			6 938		1 273	2 165	16 900	17 670	19 865	20 848	21 690
Environmental Protection	Waste Management			144	-				-	100	105	110
Environmental Protection	Coastal Management			1	-	2	7	2	2	10	11	11
Environmental Protection	Air Quality Management			2	-	82	284	6	5	300	315	331
Safety & Security	Fire Fighting			3 458	1 605	-	836	436	414	1 734	1 821	1 912
Safety & Security	Disaster Management			7 682	1 503	2 515	5 464	5 664	5 381	6 700	7 035	7 367
Safety & Security	Security Measures			10 100	10 436	11 265	10 000	14 210	13 600	16 000	16 800	17 640
Safety & Security	Crime Prevention Programmes			-	-				-	-	-	-
Sustainable Services	Sanitation			42 761	40 185	62 770	57 227	90 039	85 537	86 136	90 446	94 999
Sustainable Services	VIP Toilets			31 004	11 835	-	10 000	13 111	12 456	15 000	15 750	16 538
Sustainable Services	Water Distribution			315 867	529 732	494 620	419 772	384 684	365 450	341 065	358 116	378 024
Allocations to other priorities												
Total Expenditure				722 885	910 339	928 944	912 263	928 221	881 810	906 755	935 243	1 003 005
References												

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

DC21 Ugu - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

DC21 Uga - Supporting Table SAb Reconciliation of IDP Strategic Objectives and Budget (Capital Expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Good Governance	Support services	A			599					5 600	5 880	6 174
Good Governance	Human Resources Management	B								29 700	31 185	32 744
Good Governance	Vehicle Replacement Programme (Fleet Management)	C					16 450	14 280	14 280	15 750	16 538	17 364
Good Governance	Financial Management / IA	D										
Good Governance	Legal Services	E										
Good Governance	Financial Management	F			11 766	10 849	18 545	12 763	12 763			
Good Governance	Strategy & shared services	G										
Good Governance	Executive & Council	H										
Institutional Transformation	Office centralisation	I					15 790	21 583	21 583	750	788	827
Infrastructure	Telecommunication	J		1 881								
Institutional Transformation	Workshops Refurbishment	K										
Infrastructure	Sports development	L		25								
Institutional Transformation	Special Programmes	M										
Safety & Security		N										
Safety & Security	Disaster Management	O		3 555		163						
Safety & Security	Fire Fighting	P										
Economic Development	Agricultural Market	Q										
Economic Development	Local Economic Development	R		202						565	583	623
Environmental Protection	Environmental Services	S										
Sustainable Services	Leakage Management	T										
Sustainable Services	Water	U		251 797	269 821	348 608	235 918	252 175	234 714	226 851	238 194	250 103
Sustainable Services	Sanitation	V		48 756	23 600	4 631	82 444	48 432	48 432	81 500	85 575	89 854
		P										
Allocations to other priorities				3								
Total Capital Expenditure				1	306 216	325 786	364 251	369 147	349 233	331 772	380 716	397 689

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36

DC21 Ugu - Supporting Table SA8 Performance indicators and benchmarks

PC21 Ugu - Supporting Table SA6 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating		15.1%	33.3%	17.5%	16.7%	16.7%	16.7%	16.7%			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	5.4%	3.7%	3.7%	3.7%	2.9%	2.9%	2.9%	3.4%	3.4%	3.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	12.8%	9.9%	8.4%	8.7%	6.1%	6.1%	6.1%	6.7%	6.7%	5.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.5	1.7	1.6	2.5	2.0	2.0	2.0	1.3	1.3	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.7	1.6	2.5	2.0	2.0	2.0	1.3	1.3	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	1.0	1.1	1.6	1.0	1.0	1.0	0.6	0.6	0.6
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		103.2%	112.3%	100.1%	87.0%	100.9%	100.9%	100.8%	69.9%	69.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		103.1%	112.4%	100.0%	87.0%	101.0%	101.0%	101.0%	70.0%	70.0%	70.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	28.3%	21.8%	16.4%	20.1%	26.9%	26.9%	26.9%	17.7%	17.7%	17.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	87.0%	90.0%	90.0%	93.0%	93.0%	93.0%	93.0%	95.0%	96.0%	96.0%
Creditors to Cash and Investments		63.6%	60.8%	64.2%	41.1%	73.8%	70.1%	70.1%	119.7%	368.2%	-377.0%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kWh)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)	6477.0%	6423.0%	7450.0%							
	Total Cost of Losses (Rand '000)	20 333	28 211	27 141							
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	46.2%	40.7%	40.5%	36.4%	39.1%	39.1%	39.1%	38.1%	38.1%	38.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	47.7%	42.0%	41.7%	37.7%	40.4%	40.4%		39.5%	39.5%	39.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.2%	7.8%	8.4%	7.7%	7.9%	7.9%		7.3%	7.3%	7.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	40.2%	51.9%	27.9%	15.2%	16.1%	16.1%	16.1%	14.2%	14.2%	14.2%
<u>IDP regulation financial viability Indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.6	6.5	9.7	13.8	13.8	13.8	9.3	9.6	9.8	10.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	53.8%	49.5%	38.7%	38.7%	56.8%	56.8%	56.8%	37.5%	37.5%	37.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.5	6.6	5.6	7.0	5.5	5.7	5.7	3.4	1.1	(1.1)

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

DC21 Ugu Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	168 625	246 549	276 261	366 909	281 797	281 520	281 520	173 178	59 128	(60 625)
Cash + investments at the yr end less applications - R'000	18(1)b	2	161 027	229 616	211 563	365 142	305 242	289 980	289 980	79 442	83 414	87 584
Cash year end/monthly employee/supplier payments	18(1)b	3	5.5	6.6	5.6	7.0	5.5	5.7	5.7	3.4	1.1	(1.1)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	247 754	151 455	174 667	313 105	237 734	225 647	225 647	284 240	298 452	313 375
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	0.1%	1.1%	43.8%	(19.8%)	(11.0%)	(6.0%)	(0.9%)	(1.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	98.0%	104.3%	98.8%	86.7%	100.0%	100.0%	100.0%	70.3%	70.3%	70.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	30.7%	8.1%	8.2%	8.2%	8.2%	0.7%	0.7%	0.7%
Capital payments % of capital expenditure	18(1)c,(19)	8	100.0%	99.8%	100.3%	100.0%	100.0%	100.0%	100.0%	99.8%	99.8%	99.8%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(2.4%)	(16.7%)	49.8%	26.4%	(5.0%)	0.0%	(30.6%)	5.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	3555.4%	(62.5%)	86.9%	78.2%	(5.0%)	0.0%	91.5%	5.0%	5.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.5%	1.5%	1.6%	1.8%	1.6%	1.6%	1.7%	1.7%	1.7%	1.7%
Asset renewal % of capital budget	20(1)(vi)	14	20.0%	0.0%	0.0%	9.1%	0.0%	0.0%	0.0%	77.3%	77.3%	77.3%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

[illegible]

Detail on the provision of municipal services for A10

Total municipal services		Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework			
Ref.	2013/14	2014/15	2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
	Outcome	Outcome	Outcome						
	Household service targets (000)								
	<u>Water:</u>								
8									
10									
9									
10									

Municipal in-house services

Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
					Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	
	Household service targets (000)										
	Water										
	Piped water inside dwelling	46	30	32	33	33	33	35	35	36	38
	Piped water inside yard (but not in dwelling)	22	14	15	15	15	15	16	16	17	18
8	Using public tap (at least min.service level)	60	59	61	64	64	64	67	67	70	74
10	Other water supply (at least min.service level)	28	28	29	31	31	31	32	32	34	36
	Minimum Service Level and Above sub-total	154	130	137	143	143	143	150	150	159	166
9	Using public tap (< min.service level)	5	25	26	28	28	28	29	30	30	32
10	Other water supply (< min.service level)	28	26	27	29	29	29	30	30	32	33
	No water supply	-	-	-	-	-	-	-	-	-	-
	Below Minimum Service Level sub-total	31	51	54	56	56	56	58	58	62	65
	Total number of households	185	181	190	200	200	200	210	220	220	231
	Sanitation/sewage:										
	Flush toilet (connected to sewerage)	34	35	37	39	39	39	39	41	43	45
	Flush toilet (with septic tank)	14	15	16	17	17	17	17	17	18	19
	Chemical toilet	15	18	19	20	20	20	21	21	22	23
	Pit toilet (ventilated)	53	58	61	64	64	64	67	67	70	74
	Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-	-
	Minimum Service Level and Above sub-total	116	126	132	139	139	139	146	146	153	161

[illegible]

Names of service providers	No toilet provisions Below Minimum Service Level sub-total											
	Total number of households											
Names of service providers	Energy:											
	Electricity (at least min.service level) Electricity - prepaid (min.service level) Minimum Service Level and Above sub-total Electricity (< min.service level) Electricity - prepaid (< min. service level) Other energy sources Below Minimum Service Level sub-total											
Names of service providers	Refuse:											
	Removed at least once a week Minimum Service Level and Above sub-total Removed less frequently than once a week Using communal refuse dump Using own refuse dump Other rubbish disposal No rubbish disposal Below Minimum Service Level sub-total											
Detail of Free Basic Services (FBS) provided	2013/14											
	Outcome											
Electricity	List type of FBS service	Ref.	Location of households for each type of FBS	Current Year 2016/17					2017/18 Medium Term Revenue & Expenditure Framework			
				Outcome	2014/15	2015/16	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Water	List type of FBS service	Ref.	Location of households for each type of FBS	Formal settlements - (60 lwh per indigent household per month R000) Number of HH receiving this type of FBS Informal settlements (R000) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (R000) Number of HH receiving this type of FBS Living in informal backyard rental agreement (R000) Number of HH receiving this type of FBS Other (R000) Number of HH receiving this type of FBS	55 565 517	25 213 519	54 480 267	65 497 887	62 222 993	70 037 302	73 539 167	77 216 126
Sanitation	List type of FBS service	Ref.	Location of households for each type of FBS	Formal settlements - (free sanitation service to indigent households) Number of HH receiving this type of FBS Informal settlements (R000) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (R000) Number of HH receiving this type of FBS Living in informal backyard rental agreement (R000) Number of HH receiving this type of FBS Other (R000) Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-

[illegible]

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigenous policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality
6. Insert actual or estimated % increase assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance <= 200m from dwelling
9. Stand distance > 200m from dwelling

DC21 Ugu - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Exemptions, reductions and rebates (Rands) <i>(Insert lines as applicable)</i>									
<u>Water tariffs</u>									
Water Basic charge		fixed charge per 1000kls	123	130	139	147	156	164	172
Charge per kl		from 6.1kl to 39kl	10	10	11	12	12	13	13
Charge per kl		from 39 - 50kl	15	18	17	18	20	21	22
Charge per kl		greater than 51kl	19	20	22	23	24	26	27
<u>Waste water tariffs</u>									
Sanitation basic charge		fixed charge per 1000kls	269	269	269	285	302	318	333
charge per kl		per kl	3	3	3	4	4	4	4
conservancy tank draws		additional draws requested	428	451	481	509	540	567	595
<u>Electricity tariffs</u>									
<i>(Insert blocks as applicable)</i>									
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							

DC21 Ugu - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % Incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		123.40	130.19	138.65	146.56	146.56	146.56	7.0%	156.81	164.66	172.89
Water: Consumption		289.66	305.70	325.57	344.13	344.13	344.13	7.0%	368.22	386.63	405.96
Sanitation		359.23	364.26	387.94	410.05	410.05	410.05	7.0%	438.75	460.69	483.72
Refuse removal											
Other											
sub-total		772.29	800.15	852.16	900.73	900.73	900.73	7.0%	963.78	1 011.97	1 062.57
VAT on Services											
Total large household bill:		772.29	800.15	852.16	900.73	900.73	900.73	7.0%	963.78	1 011.97	1 062.57
% increase/decrease			3.6%	6.5%	5.7%	-	-		7.0%	5.0%	5.0%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		116.41	130.19	138.65	146.56	146.56	146.56	7.0%	156.81	164.66	172.89
Water: Consumption		227.61	254.75	271.31	286.77	286.77	286.77	7.0%	306.85	322.19	338.30
Sanitation		324.93	348.41	371.06	392.21	392.21	392.21	7.0%	419.66	440.64	462.68
Refuse removal											
Other											
sub-total		668.95	733.35	781.02	825.54	825.54	825.54	7.0%	883.32	927.49	973.86
VAT on Services											
Total small household bill:		668.95	733.35	781.02	825.54	825.54	825.54	7.0%	883.32	927.49	973.86
% increase/decrease			9.6%	6.5%	5.7%	-	-		7.0%	5.0%	5.0%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		116.41	130.19	138.65	146.56	146.56	146.56	7.0%	156.81	164.66	172.89
Water: Consumption		127.46	163.04	173.64	183.53	183.53	183.53	7.0%	196.38	206.20	216.51
Sanitation		293.68	319.88	340.67	360.09	360.09	360.09	7.0%	385.30	404.56	424.79
Refuse removal											
Other											
sub-total		537.56	613.11	652.96	690.18	690.18	690.18	7.0%	738.49	775.42	814.19
VAT on Services											
Total small household bill:		537.56	613.11	652.96	690.18	690.18	690.18	7.0%	738.49	775.42	814.19
% increase/decrease			14.1%	6.5%	5.7%	-	-		7.0%	5.0%	5.0%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

DC21 Ugu - Supporting Table SA15 Investment particulars by type

Investment type		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Parent municipality											
Securities - National Government											
Listed Corporate Bonds											
Deposits - Bank		8 293	222 080	215 203	233 184	233 184	221 524	140 224	147 236	154 597	
Deposits - Public Investment Commissioners											
Deposits - Corporation for Public Deposits											
Bankers Acceptance Certificates											
Negotiable Certificates of Deposit - Banks											
Guaranteed Endowment Policies (sinking)											
Repurchase Agreements - Banks											
Municipal Bonds											
Municipality sub-total	1	8 293	222 080	215 203	233 184	233 184	221 524	140 224	147 236	154 597	
Entities											
Securities - National Government											
Listed Corporate Bonds											
Deposits - Bank		-	-	-	-	-	-	-	-	-	
Deposits - Public Investment Commissioners											
Deposits - Corporation for Public Deposits											
Bankers Acceptance Certificates											
Negotiable Certificates of Deposit - Banks											
Guaranteed Endowment Policies (sinking)											
Repurchase Agreements - Banks											
Entities sub-total		-	-	-	-	-	-	-	-	-	
Consolidated total:		8 293	222 080	215 203	233 184	233 184	221 524	140 224	147 236	154 597	

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

DC21 Ugu - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment
Name of institution & investment ID	1	Yrs/Months							
Parent municipality									
First National Bank		Daily Call	Notice Deposit	no	variable	9.45	0	n/a	Daily Call Account
ABSA Bank CALL		3 Months	Notice Deposit	no	variable	8	0	n/a	Daily Call Account
thiaia Bank		Daily Call	Notice Deposit	no	variable	9.5	0	n/a	Daily Call Account
Nedbank		Daily Call	Notice Deposit	no	variable	7.87	1	n/a	Daily Call Account
Standard Bank		Daily Call	Notice Deposit	no	variable	7.75	2	n/a	Daily Call Account
Investec Bank		Daily Call	Notice Deposit	no	variable	8.59	0	n/a	Daily Call Account
Municipality sub-total									
Entities									
South Coast Development Agency NPC		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ugu South Coast Tourism (Pty) Ltd		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Entities sub-total									
TOTAL INVESTMENTS AND INTEREST	1								

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
2. List investments in expiry date order

DC21 Ugu - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		158 796	144 531	125 826	109 524	109 524	104 048	83 333	61 584	38 746
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		6 568	-							
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	165 364	144 531	125 826	109 524	109 524	104 048	83 333	61 584	38 746
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	165 364	144 531	125 826	109 524	109 524	104 048	83 333	61 584	38 746

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

DC21 Ugu - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		356 024	325 546	364 032	400 528	389 487	389 487	419 721	440 707	462 742
Local Government Equitable Share		236 862	264 748	300 885	319 856	319 856	319 856	342 776	359 915	377 911
RSC Levy Replacement		50 290	54 816	52 960	63 873	63 873	63 873	68 900	72 345	75 962
Finance Management		1 234	1 250	1 325	1 460	1 460	1 460	1 795	1 885	1 979
Municipal Systems Improvement		890	934	940	1 041	-	-	1 636	1 718	1 804
Water Services Operating Subsidy		589		3 650	10 000	-	-	-	-	-
EPWP Incentive			1 368	1 826	1 788	1 788	1 788	1 956	2 054	2 156
Infrastructure Skills Development Grant		165				2 510	2 510	-	-	-
Rural Roads Asset Management Systems Grant		2 089	2 430	2 446	2 510	-	-	2 658	2 791	2 930
Rural Household Sanitation		4 000				-	-	-	-	-
Municipal Infrastructure Grant		59 905								
Other transfers/grants [insert description]										
Provincial Government:		9 607	250	250	400	400	400	400	420	441
Development Planning Shared Services		1 000	250	250	400	400	400	-	-	-
Cogta Massification		1 959								
EPWP Incentive		883								
Department of Transport Grant		1 765								
Department of Human Settlement		4 000								
Spatial Development Framework Support								400	420	441
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		4 386	4 885	4 885	7 734	13 939	13 939	11 154	11 712	12 297
Grants from LM's to Entities		2 654	4 885	4 885	7 734	13 939	13 939	11 154	11 712	12 297
DBSA		709								
IDC										
National Lottery		1 022								
Total Operating Transfers and Grants	5	370 017	330 681	369 167	408 662	403 826	403 826	431 275	452 839	475 481
Capital Transfers and Grants										
National Government:		277 607	355 139	358 245	310 862	297 864	297 864	295 851	310 644	326 176
Municipal Infrastructure Grant (MIG)		215 399	265 189	249 316	223 873	233 873	233 873	245 479	257 753	270 641
Regional Bulk Infrastructure		55 740	45 015	8 834	12 776	12 776	12 776	-	-	-
Rural Households Infrastructure					1 000	1 000	1 000	-	-	-
Municipal Disaster Recovery			4 999					-	-	-
Finance Management Grant								-	-	-
Other capital transfers/grants [insert description]			12 436					-	-	-
Water Services Infrastructure Grant		6 468	27 500	100 095	73 213	50 215	50 215	50 372	52 891	55 535
Other capital transfers/grants [insert desc]										
Provincial Government:		19 425	4 060	11 504	-	5 000	5 000	-	-	-
Massification - Cogta		19 425	4 060	5 000		5 000	5 000	-	-	-
Disaster Management Centre				6 504						
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		120	-	-	-	-	-	-	-	-
Grants from LM's to En										
DBSA		120	-	-						
Total Capital Transfers and Grants	5	297 152	359 199	369 749	310 862	302 864	302 864	295 851	310 644	326 176
TOTAL RECEIPTS OF TRANSFERS & GRANTS		667 169	689 880	738 916	719 524	706 690	706 690	727 126	763 482	801 656

References

- Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
- Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
- Replacement of RSC levies
- Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
- Total transfers and grants must reconcile to Budgeted Cash Flows
- Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

DC21 Ugu - Supporting Table SA19 Expenditure on transfers and grant programme

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:		1									
Operating expenditure of Transfers and Grants											
National Government:			356 024	330 558	361 725	391 528	389 487	370 013	436 721	458 557	481 485
Local Government Equitable Share			236 862	264 748	300 885	320 856	319 856	303 863	342 776	359 915	377 911
RSC Levy Replacement			50 290	54 816	52 960	63 873	63 873	60 679	68 900	72 345	75 962
Finance Management			1 234	1 251	1 325	1 460	1 460	1 387	1 795	1 885	1 979
Municipal Systems Improvement			890	727	940	1 041	-	-	1 636	1 718	1 804
Water Services Operating Subsidy			589		1 343	-	-	-		-	-
EPWP Incentive				1 042	1 826	1 788	1 788	1 699	1 956	2 054	2 156
Infrastructure Skills Development Grant			165			-	-	-		-	-
Rural Transport Service Grant			2 089	2 944	2 446	2 510	2 510	2 385	2 658	2 791	2 930
Rural Household Sanitation			4 000			-	-	-		-	-
Municipal Infrastructure Grant			59 905	5 030				-	17 000	17 850	18 743
Water Services Infrastructure Grant								-			
Other transfers/grants [insert description]								-			
Provincial Government:			9 607	1 441	250	400	400	380	400	420	441
Development Planning Shared Services			1 000	250	250	400	400	380		-	-
Cogta Massification			1 959	697							
EPWP Incentive			883								
Department of Transport Grant			1 765								
Africa Bike Week Event			4 000								
District GDS				494							
Spatial Development Framework Support									400	420	441
Disaster Management Centre											
District Municipality:			-	-	-	-	-	-	-	-	-
[insert description]											
Other grant providers:			4 386	2 035	4 885	7 734	13 939	13 242	10 589	11 118	11 674
Grants from LM's to Entities			2 654	-	4 885	7 734	13 939	13 242	10 589	11 118	11 674
DBSA			709	524							
IDC				45							
National Lottery			1 022	1 466							
Total operating expenditure of Transfers and Grants:			370 017	334 034	366 860	399 662	403 826	383 634	447 710	470 095	493 600
Capital expenditure of Transfers and Grants											
National Government:			277 607	349 993	358 245	320 862	297 864	282 971	278 851	292 794	307 433
Municipal Infrastructure Grant (MIG)			215 399	260 159	249 316	233 873	233 873	222 179	228 479	239 903	251 898
Regional Bulk Infrastructure			55 740	34 827	8 834	12 776	12 776	12 137	-	-	-
Rural Households Infrastructure						1 000	1 000	950	-	-	-
Municipal Disaster Recovery								-	-	-	-
Finance Management Grant								-	-	-	-
Other capital transfers/grants [insert description]				12 718				-	-	-	-
Water Services Infrastructure Grant			6 468	42 289	100 095	73 213	50 215	47 704	50 372	52 891	55 535
Provincial Government:			19 425	24 985	11 504	-	5 000	4 750	-	-	-
Disaster Management Centre			19 425	20 377	6 504			-	-	-	-
Massification - Cogta				4 608	5 000		5 000	4 750	-	-	-
District Municipality:			-	-	-	-	-	-	-	-	-
[insert description]											
Other grant providers:			120	-	-	-	-	-	565	594	623
Grants from LM's to En									565	594	623
DBSA			120								
Total capital expenditure of Transfers and Grants			297 152	374 978	369 749	320 862	302 864	287 721	279 416	293 387	308 057
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			667 169	709 012	736 609	720 524	706 690	671 355	727 126	763 482	801 656

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

DC21 Ugu - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		4 044	16 095	430						
Current year receipts		216 392	314 894	364 032	400 528	389 487	389 487	436 721	458 557	481 485
Conditions met - transferred to revenue		204 341	330 558	359 382	400 528	389 487	389 487	436 721	458 557	481 485
Conditions still to be met - transferred to liabilities		16 095	430	5 080						
Provincial Government:										
Balance unspent at beginning of the year		19 328	12 265	326						
Current year receipts		17 412		250	400	400	400	400	420	441
Conditions met - transferred to revenue		24 475	11 939	576	400	400	400	400	420	441
Conditions still to be met - transferred to liabilities		12 265	326	-						
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		1 806	1 054	-						
Current year receipts		-	1 155	4 885	7 734	13 939	13 939	11 154	11 712	12 297
Conditions met - transferred to revenue		1 806	2 209	4 885	7 734	13 939	13 939	11 154	11 712	12 297
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		230 622	344 706	364 844	408 662	403 826	403 826	448 275	470 689	494 223
Total operating transfers and grants - CTBM	2	28 360	757	5 080	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		17 098	24 143	17 085						
Current year receipts		216 519	302 448	358 245	310 862	297 864	297 864	278 851	292 794	307 433
Conditions met - transferred to revenue		209 475	309 506	371 680	310 862	297 864	297 864	278 851	292 794	307 433
Conditions still to be met - transferred to liabilities		24 143	17 085	3 650						
Provincial Government:										
Balance unspent at beginning of the year		64 846	18 398	3 677						
Current year receipts		29 673	22 034	11 504	-	5 000	5 000	-	-	-
Conditions met - transferred to revenue		76 121	36 755	15 180	-	5 000	5 000	-	-	-
Conditions still to be met - transferred to liabilities		18 398	3 677	-						
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		10 983	1 581	-						
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		9 402	1 581	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		1 581	-	-						
Total capital transfers and grants revenue		294 998	347 843	386 860	310 862	302 864	302 864	278 851	292 794	307 433
Total capital transfers and grants - CTBM	2	44 122	20 761	3 650	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		525 620	692 549	751 704	719 524	706 690	706 690	727 126	763 482	801 656
TOTAL TRANSFERS AND GRANTS - CTBM		72 482	21 518	8 730	-	-	-	-	-	-

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance

2. CTBM = conditions to be met

3. National Treasury database will require this reconciliation for each transfer/grant

DC21 Ugu - Supporting Table SA21 Transfers and grants made by the municipality

Description:	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash Transfers to other municipalities											
Fire fighting contribution to LMs	1	3 448	1 136								
Total Cash Transfers To Municipalities:		3 448	1 136	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
VIP Tolls	2		11 835		10 000						
Disaster Management			240		87						
RURAL TRANSPORT SERVICES GRANT			2 703		2 610						
PUBLIC WORKS: EXPANDED PROGRAMME			732		1 788						
DROUGHT RELIEF			1 604		10 321						
RESPONSE AND RECOVERY			1 398		2 227						
Other grant expenditure			9 277	3 481	11 340						
South Coast Development Agency				5 250		5 513	5 237	5 237	5 788	6 076	6 381
Tourism Development				5 154		5 411	5 141	5 141	5 682	5 966	6 264
Tourism Marketing				6 442		6 614	6 189	6 189	6 840	7 182	7 541
Local Economic Development			554		1 755						
Total Cash Transfers To Entities/Em's		-	28 342	20 327	40 028	17 438	16 566	16 566	18 310	19 226	20 187
Cash Transfers to other Organs of State											
Fire fighting contribution to LMs	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Fire fighting contribution to LMs											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
Fire fighting contribution to LMs											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	3 448	28 478	20 327	40 028	17 438	16 566	16 566	18 310	19 226	20 187
Non-Cash Transfers to other municipalities											
VIP Tolls	1	31 004									
Disaster Management		641									
Corridor Development		8									
KWALEMBE REGIONAL BULK WATER SUPPLY SCHEME		-									
RURAL TRANSPORT SERVICES GRANT		1 438									
PUBLIC WORKS: EXPANDED PROGRAMME		-									
DROUGHT RELIEF		2 267									
RESPONSE AND RECOVERY		191									
Other grant expenditure		16 548									
Local Economic Development		381									
Total Non-Cash Transfers To Municipalities:		52 478	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
Fire fighting contribution to LMs	2										
Total Non-Cash Transfers To Entities/Em's		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
Fire fighting contribution to LMs	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
Fire fighting contribution to LMs	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of individuals											
Fire fighting contribution to LMs	5										
Total Non-Cash Grants To Groups Of individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		52 478	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	55 926	29 478	20 327	40 028	17 438	16 566	16 566	18 310	19 226	20 187

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

DC21 Ugu - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3 547	4 106	4 120	4 385	3 893	3 794	4 646	4 880	5 124
Pension and UIF Contributions		240	241	149	225	206	194	236	250	283
Medical Aid Contributions		172	191	125	191	174	165	283	213	224
Motor Vehicle Allowance		2 049	2 288	2 215	4 073	3 708	3 524	4 259	4 470	4 694
Cellphone Allowance		267	348	342	348	315	269	367	385	405
Housing Allowances		1 411	1 467	1 926	1 937	1 784	1 675	2 053	2 155	2 283
Other benefits and allowances		67	74	76	44	40	36	46	49	51
Sub Total - Councillors		7 764	8 890	8 857	11 200	10 200	9 890	11 612	12 403	13 023
% Increase	4		11.8%	3.1%	25.3%	(8.8%)	(5.0%)	21.8%	5.0%	5.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 885	3 307	3 684	3 620	3 620	3 439	3 637	4 029	4 230
Pension and UIF Contributions		152	300	255	255	258	245	274	287	302
Medical Aid Contributions		67	123	124	124	124	117	131	138	145
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	302	505	627	627	655	864	868	732
Motor Vehicle Allowance		858	1 363	1 302	1 569	1 569	1 491	1 854	1 747	1 834
Cellphone Allowance		-	78	84	82	82	76	87	81	85
Housing Allowances		180	533	672	708	708	673	751	788	828
Other benefits and allowances		75	131	49	200	200	190	212	223	234
Payments in lieu of leave		-	-	-	196	196	186	208	218	228
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		3 998	6 314	6 295	7 384	7 384	7 015	7 827	8 218	8 629
% Increase	4		57.9%	(0.3%)	17.3%	-	(5.0%)	11.6%	5.0%	5.0%
Other Municipal Staff										
Basic Salaries and Wages		147 524	161 479	177 126	198 526	198 506	188 581	210 412	226 632	231 679
Pension and UIF Contributions		25 260	28 034	31 487	32 629	32 629	30 998	34 587	36 317	36 132
Medical Aid Contributions		10 221	11 613	12 970	19 913	19 913	18 617	21 107	22 163	23 271
Overtime		20 611	23 712	29 471	24 000	23 590	22 325	24 813	26 156	27 463
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		10 824	10 647	11 113	12 610	12 910	12 294	13 694	14 358	15 087
Cellphone Allowance		809	1 484	1 496	1 585	1 585	1 515	1 690	1 775	1 864
Housing Allowances		865	648	894	1 225	1 225	1 184	1 299	1 384	1 432
Other benefits and allowances		15 573	14 607	15 525	16 443	23 049	21 687	12 380	12 699	13 649
Payments in lieu of leave		3 296	3 431	4 390	8 061	8 061	5 777	6 446	6 768	7 107
Long service awards		3 106	1 789	404	2 223	2 223	2 112	2 356	2 474	2 598
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		238 289	261 110	286 373	314 525	321 631	305 550	328 872	345 315	352 591
% Increase	4		9.6%	10.4%	9.1%	2.3%	(5.0%)	7.6%	5.0%	5.0%
Total Parent Municipality		250 071	276 114	303 625	333 109	339 215	322 256	348 511	365 035	364 233
			10.4%	10.0%	9.7%	1.8%	(5.0%)	8.1%	5.0%	5.0%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	25	25	24	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2	2	-	2	2	2	34	36	38
Board Fees		154	456	586	647	620	589	1 388	1 458	1 531
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		155	458	586	674	647	619	1 423	1 494	1 569
% Increase	4		194.4%	28.2%	14.9%	(4.0%)	(5.0%)	131.5%	5.0%	5.0%
Senior Managers of Entities										
Basic Salaries and Wages		1 613	2 361	3 816	5 428	4 821	4 580	7 098	7 450	7 823
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		117	-	165	22	162	155	65	68	72
Motor Vehicle Allowance		-	425	-	-	-	-	-	-	-
Cellphone Allowance		46	36	36	33	49	47	42	44	46
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		141	353	21	164	34	32	310	325	341
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		1 917	3 795	4 059	5 647	5 065	4 812	7 512	7 888	8 282
% Increase	4		98.0%	6.9%	39.1%	(10.3%)	(5.0%)	56.1%	5.0%	5.0%
Other Staff of Entities										
Basic Salaries and Wages		1 415	2 115	3 010	4 324	4 278	4 064	2 952	3 110	3 265
Pension and UIF Contributions		55	83	85	111	102	87	170	178	187
Medical Aid Contributions		129	171	194	244	207	167	283	308	323
Overtime		167	201	214	355	204	194	331	348	365
Performance Bonus		65	122	148	172	169	181	178	184	194
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	18	16	15	18	19	20
Housing Allowances		18	23	25	28	15	14	31	32	34
Other benefits and allowances		31	1 012	82	44	61	68	55	57	60
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		1 902	3 726	3 757	5 295	5 052	4 800	4 035	4 236	4 448
% Increase	4		95.9%	0.8%	40.9%	(4.6%)	(5.0%)	(15.9%)	5.0%	5.0%
Total Municipal Entities		3 975	7 979	8 403	11 616	10 766	10 225	12 956	13 618	14 299
TOTAL SALARY, ALLOWANCES & BENEFITS		254 046	284 034	312 028	344 725	349 980	332 481	361 480	379 554	388 532
% Increase	4		11.8%	9.8%	10.5%	1.5%	(5.0%)	8.7%	5.0%	5.0%
TOTAL MANAGERS AND STAFF	5.7	246 106	274 946	302 484	332 650	339 133	322 176	348 245	365 657	363 940

References:

1. Include 'Loans and advances' where applicable if any reportable amounts still phased compliance with s194 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

Column Definitions:

- A, B and C. Audited actuals as per the audited financial statements, if audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 26 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

DC21 Ugu - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		2015/16			Current Year 2016/17			Budget Year 2017/18		
Number	Ref	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		40	8	32			35			35
Board Members of municipal entities	4	19		17			8			8
Municipal employees	5									
Municipal Manager and Senior Managers	3	10	5	5	5	—	5	5	—	5
Other Managers	7	20	19	1	28	28	—	28	28	—
Professionals		66	56	10	617	501	20	617	501	20
Finance		19	11	8	18	12	6	18	12	6
Spatial/town planning										
Information Technology		10	8	2	13	8	1	13	8	1
Roads										
Electricity										
Water					586	481	13	586	481	13
Sanitation										
Refuse										
Other		37	37							
Technicians		597	576	21	61	61	3	61	61	3
Finance										
Spatial/town planning					61	61	3	61	61	3
Information Technology		2	2							
Roads										
Electricity		75	74	1						
Water		310	290	20						
Sanitation		147	147							
Refuse										
Other		63	63							
Clerks (Clerical and administrative)		105	105		173	173	10	173	173	10
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		62	62							
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	919	831	86	884	763	81	884	763	81
% increase					(3.6%)	(8.2%)	(5.8%)	—	—	—
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10	112	110	2	112	110	2	112	110	2
Human Resources personnel headcount	8, 10	21	20	1	21	20	1	21	20	1

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number to persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions

DC21 Ugu - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source																
Property rates																
Property rates - penalties & collection charges																
Service charges - electricity revenue																
Service charges - water revenue		28 364	27 537	21 740	24 666	23 876	25 832	28 364	26 428	25 069	25 832	25 832	33 896	315 836	331 627	348 209
Service charges - sanitation revenue		9 446	8 837	9 984	8 162	9 755	9 498	9 446	8 995	8 955	11 308	9 498	9 351	113 236	118 898	124 843
Service charges - refuse revenue																
Service charges - other																
Rental of facilities and equipment		59	125	45	138	46	153	59	105	125	44	153	109	1 160	1 218	1 279
Interest earned - external investments		1 754	2 875	1 972	1 984	1 809	2 320	1 754	1 195	1 127	1 250	1 320	1 451	20 813	21 853	22 946
Interest earned - outstanding debtors		1 107	312	257	107	25	383	107	303	314	275	383	277	3 848	4 041	4 243
Dividends received																
Fines																
Licences and permits																
Agency services																
Transfers recognised - operational		3 648	2 480	7 536	10 392	9 735	166 185	3 648	482	103 093	3 747	136 185	1 143	448 275	470 689	494 223
Other revenue		355	1 300	1 305	1 322	1 514	1 355	355	524	1 374	350	355	1 867	11 977	12 576	13 205
Gains on disposal of PPE																
Total Revenue (excluding capital transfers and contribution)		44 733	43 467	42 838	46 169	46 760	205 725	43 733	37 033	140 058	42 808	173 725	48 095	915 145	960 902	1 008 947
Expenditure By Type																
Employee related costs		26 788	53 576	26 788	26 788	26 788	26 788	26 788	26 788	26 788	26 788	26 788	26 788	348 245	365 657	383 940
Remuneration of councillors		1 018	1 018	1 018	1 018	1 018	2 036	1 018	1 018	1 018	1 018	1 018	1 018	13 235	13 897	14 592
Debt impairment		252	252	252	252	252	252	252	252	252	252	252	252	3 025	3 176	3 335
Depreciation & asset impairment		17 742	15 455	14 355	14 449	15 883	17 783	17 742	13 239	13 252	17 783	17 783	(56 118)	119 347	125 315	131 580
Finance charges		79	215	969	141	154	650	79	154	88	650	650	6 642	10 471	10 994	11 544
Bulk purchases		7 275	6 518	6 931	6 680	7 716	6 250	7 275	5 413	7 582	6 250	6 250	8 654	82 802	86 942	91 289
Other materials		582	523	244	448	1 075	204	582	674	544	204	204	3 678	8 962	9 410	9 881
Contracted services		2 233	2 755	2 791	2 888	2 134	2 114	2 233	2 245	2 431	2 114	2 114	9 507	35 558	37 336	39 203
Transfers and grants		4 578				4 578				4 578			4 578	18 310	19 226	20 187
Other expenditure		17 873	20 881	21 358	16 398	27 883	34 588	17 873	14 194	20 556	22 588	33 588	22 020	269 800	283 290	297 455
Loss on disposal of PPE																
Total Expenditure		78 421	101 194	74 706	69 072	87 481	90 664	73 843	63 977	77 088	77 646	88 646	27 017	909 755	955 243	1 003 005
Surplus/(Deficit)		(33 687)	(57 727)	(31 868)	(22 902)	(40 721)	115 061	(30 110)	(26 944)	62 971	(34 839)	85 079	21 077	5 389	5 659	5 942
Transfers recognised - capital		69 713				69 713				69 713			69 713	278 851	292 794	307 433
Contributions recognised - capital																
Contributed assets																
Surplus/(Deficit) after capital transfers & contributions		36 025	(57 727)	(31 868)	(22 902)	28 992	115 061	(30 110)	(26 944)	132 684	(34 839)	85 079	90 790	284 240	298 452	313 375
Taxation																
Attributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	36 025	(57 727)	(31 868)	(22 902)	28 992	115 061	(30 110)	(26 944)	132 684	(34 839)	85 079	90 790	284 240	298 452	313 375

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

DC21 Ugu - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote																
Vote 1 - EXECUTIVE & COUNCIL		46 589	368	140	30	391	196	208	158	165	225	158	318	2 356	2 474	2 597
Vote 2 - FINANCE & ADMINISTRATION		8 978	2 346	1 530	4 069	1 413	38 601	1 387	2 336	2 506	7 589	92 428	2 336	203 131	213 288	223 952
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		41 113	2 137	6 799	13 677	12 552	2 696	2 425	64	2 073	2 991	64	351	54 805	57 545	60 422
Vote 4 - WATER		10 405	47 822	24 412	20 248	92 288	142 977	30 240	25 280	195 810	24 641	80 807	60 417	796 053	825 356	866 624
Vote 5 - WASTE WATER MANAGEMENT		5 196	8 782	9 941	8 111	9 704	11 871	9 413	8 937	8 937	8 895	8 937	16 958	120 891	126 936	133 283
Vote 6 - PUBLIC SAFETY		2 134	-	-	-	108	691	-	238	238	28	238	790	7 526	7 902	8 297
Vote 7 - ENVIRONMENTAL PROTECTION		14	-	-	-	-	3 652	28	-	-	1 976	-	11 037	18 827	19 769	20 757
Vote 8 - OTHER: MARKET		18	12	18	15	-	23	13	-	20	56	-	21	165	173	182
Vote 9 - SPORTS & RECREATION					20	18	18	18	20	20	20	20	41	241	253	266
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		114 446	61 467	42 838	46 169	116 473	200 725	43 733	37 033	209 771	46 421	182 651	92 269	1 183 996	1 253 896	1 316 385
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE & COUNCIL		3 399	4 100	5 867	4 638	4 375	5 604	3 580	3 451	3 457	17 902	3 451	2 815	62 639	65 771	69 059
Vote 2 - FINANCE & ADMINISTRATION		10 985	15 489	13 106	12 042	10 739	11 504	12 666	10 327	10 343	7 796	32 789	18 678	166 456	174 779	183 518
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		2 944	5 247	6 613	9 846	6 629	18 961	6 167	5 323	5 143	4 022	5 323	2 252	78 462	82 385	86 504
Vote 4 - WATER		55 983	69 045	39 646	36 734	57 958	45 784	42 186	37 060	39 264	41 510	19 167	1 593	465 929	510 226	535 737
Vote 5 - WASTE WATER MANAGEMENT		4 906	7 201	8 738	5 327	7 183	6 456	7 316	5 886	16 648	5 403	5 886	5 591	86 139	90 446	94 969
Vote 6 - PUBLIC SAFETY		36	9	321	207	261	1 077	685	639	739	541	839	3 059	8 434	8 856	9 299
Vote 7 - ENVIRONMENTAL PROTECTION		56	9	321	207	261	1 234	1 176	1 416	1 416	371	1 416	11 970	19 855	20 848	21 880
Vote 8 - OTHER: MARKET		91	94	94	72	74	34	76	75	75	101	75	588	1 451	1 523	1 600
Vote 9 - SPORTS & RECREATION													390	390	410	430
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		78 421	101 194	74 706	69 072	87 481	90 644	73 843	63 977	77 088	77 646	68 746	46 937	909 755	955 243	1 003 005
Surplus/(Deficit) before assoc.		36 025	(39 727)	(31 868)	(22 902)	28 992	110 081	(30 110)	(26 944)	132 684	(31 226)	113 904	45 332	284 240	298 452	313 375
Taxation																
Attributable to minorities																
Share of surplus/(deficit) of associate																
Surplus/(Deficit)	1	36 025	(39 727)	(31 868)	(22 902)	28 992	110 081	(30 110)	(26 944)	132 684	(31 226)	113 904	45 332	284 240	298 452	313 375

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

DC21 Ugu - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Ref	Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
	Revenue - Standard																
	Governance and administration	46 589	2 714	1 670	4 099	1 804	38 797	1 596	2 495	2 672	8 838	92 586	1 627	205 487	215 761	226 550	
	Executive and council	—	368	140	30	391	196	208	158	165	225	158	318	2 356	2 474	2 597	
	Budget and treasury office	46 589	2 346	1 530	4 069	1 413	38 601	1 387	2 336	2 506	7 589	92 428	693	201 488	211 562	222 140	
	Corporate services	0	0	0	0	0	0	0	1	1	1 023	1	1	1 644	1 726	1 812	
	Community and public safety	2 151	12	18	20	18	2 670	18	20	20	20	20	20	2 781	7 767	8 583	
	Community and social services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Sport and recreation	18	12	18	20	18	18	18	20	20	20	20	20	41	241	266	
	Public safety	2 134	—	—	—	—	2 652	—	—	—	—	—	2 740	7 526	7 902	8 297	
	Housing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Economic and environmental services	14 174	2 137	6 799	13 677	12 659	9 387	2 453	301	2 311	7 019	301	301	2 444	73 632	77 314	
	Planning and development	8 978	2 137	6 799	13 677	12 552	2 686	2 425	64	2 073	2 991	2 991	64	351	54 805	57 545	
	Road transport	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Environmental protection	5 196	—	—	—	108	6 691	28	238	238	4 028	238	238	2 063	18 827	19 769	
	Trading services	51 518	56 603	34 353	28 359	101 992	154 848	39 654	34 217	204 746	33 536	89 744	77 375	906 945	952 292	999 906	
	Electricity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Water	41 113	47 822	24 412	20 248	92 288	142 977	30 240	25 280	195 810	24 641	80 807	60 417	786 053	825 356	866 624	
	Waste water management	10 405	8 782	9 941	8 111	9 704	11 871	9 413	8 937	8 937	8 895	8 937	16 958	120 891	126 936	133 283	
	Waste management	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Other	14	—	—	15	—	23	13	—	—	—	56	—	21	165	173	182
		Total Revenue - Standard	114 446	61 467	42 838	46 170	115 473	205 726	43 734	37 033	209 772	49 468	182 551	84 218	1 193 996	1 253 696	1 316 390
		Expenditure - Standard															
		Governance and administration	14 385	19 289	19 973	17 480	15 114	18 108	16 236	14 778	14 800	50 974	14 778	13 180	229 095	240 550	252 577
		Executive and council	3 389	4 100	5 867	4 638	4 375	5 604	3 580	3 451	3 457	17 902	3 451	2 815	62 639	65 771	69 059
		Budget and treasury office	3 950	3 920	3 573	3 990	3 485	3 898	4 521	3 812	3 814	4 371	3 812	4 158	47 304	49 669	52 152
		Corporate services	7 035	11 270	10 533	8 852	7 254	8 606	8 135	7 515	7 530	28 702	7 515	6 206	119 153	125 110	131 386
Community and public safety		56	9	321	207	261	1 077	685	639	739	541	839	3 449	8 824	9 265	9 729	
Community and social services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Sport and recreation		56	9	321	207	261	1 077	685	639	739	541	839	3 059	8 434	8 856	9 299	
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Economic and environmental services		3 000	5 256	6 935	10 053	6 890	20 186	7 344	6 739	6 561	13 393	6 739	5 222	98 317	103 232	108 394	
Planning and development		2 944	5 247	6 613	9 846	6 629	18 951	6 167	5 323	5 143	4 022	5 323	2 252	78 462	82 385	86 504	
Road transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Environmental protection		56	9	321	207	261	1 234	1 176	1 416	1 418	9 371	1 416	2 970	19 855	20 848	21 890	
Trading services		47 146	61 626	47 015	46 239	46 983	71 330	56 701	45 853	46 022	48 413	45 853	8 889	572 069	600 672	630 706	
Electricity		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Water		40 240	53 825	39 646	39 412	39 000	63 874	48 785	39 167	39 264	41 510	39 167	2 039	485 929	510 226	535 737	
Waste water management		6 906	7 801	7 369	6 827	7 983	7 456	7 916	6 866	6 757	6 903	6 866	6 850	86 139	90 446	94 969	
Waste management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other		91	94	94	72	74	34	76	75	75	101	101	75	588	1 451	1 523	1 500
		Total Expenditure - Standard	64 678	86 274	74 338	74 051	69 323	110 735	81 042	68 084	68 197	113 422	68 284	31 328	909 755	955 243	1 003 005
		Surplus/(Deficit) before assoc.	49 768	(24 807)	(31 499)	(27 881)	47 150	94 991	(37 308)	(31 051)	141 575	(63 954)	114 367	52 890	204 240	298 452	313 375
		Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1		Surplus/(Deficit)	49 768	(24 807)	(31 499)	(27 881)	47 150	94 991	(37 308)	(31 051)	141 575	(63 954)	114 367	52 890	204 240	298 452	313 375

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

DC21 Ugu - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

R thousand	Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
1	Multi-year expenditure to be appropriated																
	Vote 1 - EXECUTIVE & COUNCIL																
	Vote 2 - FINANCE & ADMINISTRATION																
	Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT																
	Vote 4 - WATER																
	Vote 5 - WASTE WATER MANAGEMENT																
	Vote 6 - PUBLIC SAFETY																
	Vote 7 - ENVIRONMENTAL PROTECTION																
	Vote 8 - OTHER: MARKET																
	Vote 9 - SPORTS & RECREATION																
	Vote 10 - [NAME OF VOTE 10]																
	Vote 11 - [NAME OF VOTE 11]																
	Vote 12 - [NAME OF VOTE 12]																
	Vote 13 - [NAME OF VOTE 13]																
	Vote 14 - [NAME OF VOTE 14]																
	Vote 15 - [NAME OF VOTE 15]																
2	Capital multi-year expenditure sub-total																
	Single-year expenditure to be appropriated																
	Vote 1 - EXECUTIVE & COUNCIL														1 000	1 050	1 103
	Vote 2 - FINANCE & ADMINISTRATION														49 150	51 608	54 188
	Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT														585	593	623
	Vote 4 - WATER														227 851	239 244	251 206
	Vote 5 - WASTE WATER MANAGEMENT														81 500	85 575	89 654
	Vote 6 - PUBLIC SAFETY																
	Vote 7 - ENVIRONMENTAL PROTECTION														650	683	717
	Vote 8 - OTHER: MARKET																
	Vote 9 - SPORTS & RECREATION																
	Vote 10 - [NAME OF VOTE 10]																
	Vote 11 - [NAME OF VOTE 11]																
	Vote 12 - [NAME OF VOTE 12]																
	Vote 13 - [NAME OF VOTE 13]																
	Vote 14 - [NAME OF VOTE 14]																
	Vote 15 - [NAME OF VOTE 15]																
2	Capital single-year expenditure sub-total																
	Total Capital Expenditure																
			2 079	24 989	18 122	24 177	16 533	32 046	15 092	10 619	54 265	54 265	54 265	54 265	360 716	378 752	397 689
			2 079	24 989	18 122	24 177	16 533	32 046	15 092	10 619	54 265	54 265	54 265	54 265	360 716	378 752	397 689

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

DC21 Ugu - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

R thousand	Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
	Capital Expenditure - Standard	1															
	Governance and administration																
	Executive and council		59	-	12	134	1 119	1 702	2 102	862	11 040	11 040	11 040	11 040	50 150	52 658	55 290
	Budget and treasury office		-	-	-	-	626	-	-	-	94	94	94	94	1 000	1 050	1 103
	Corporate services		59	-	12	134	493	18	2 102	862	10 618	10 618	10 618	10 618	3 000	3 150	3 308
	Community and public safety																
	Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sport and recreation																
	Public safety																
	Housing																
	Health																
	Economic and environmental services																
	Planning and development		54	153	64	54	65	118	92	54	140	140	140	140	1 215	1 276	1 340
	Road transport		-	98	10	-	11	63	38	-	86	86	86	86	565	593	623
	Environmental protection		54	54	54	54	54	54	54	54	54	54	54	54	650	683	717
	Trading services		1 966	24 836	18 046	23 989	15 349	30 226	12 898	9 703	43 085	43 085	43 085	43 085	309 351	324 819	341 050
	Electricity																50
	Water		1 691	22 236	13 157	23 812	13 197	26 371	8 847	6 582	27 990	27 990	27 990	27 990	227 851	239 244	251 206
	Waste water management		276	2 600	4 889	177	2 152	3 855	4 051	3 120	15 095	15 095	15 095	15 095	81 500	85 575	89 854
	Waste management																
	Other																
	Total Capital Expenditure - Standard	2	2 079	24 989	18 122	24 177	16 533	32 046	15 092	10 619	54 265	54 265	54 265	54 265	360 716	378 752	397 689
	Funded by:																
	National Government		23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	278 851	292 794	307 433
	Provincial Government																
	District Municipality																
	Other transfers and grants																
	Transfers recognised - capital																
	Public contributions & donations		23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	23 238	278 851	292 794	307 433
	Borrowing																
	Internally generated funds		6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	6 192	81 865	85 958	90 256
	Total Capital Funding		29 429	29 429	29 429	29 429	29 429	29 429	29 429	29 429	29 429	29 429	29 429	29 429	360 716	378 752	397 689

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

check

DC21 Ugu - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS												Medium Term Revenue and Expenditure Framework			
Budget Year 2017/18												Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June			
Cash Receipts By Source													1		
Property rates															
Property rates - penalties & collection charges															
Service charges - electricity revenue															
Service charges - water revenue	18 424	18 424	18 424	18 424	18 424	18 424	18 424	18 424	18 424	18 424	18 424	18 424	232 139	243 746	
Service charges - sanitation revenue	6 605	6 605	6 605	6 605	6 605	6 605	6 605	6 605	6 605	6 605	6 605	6 605	83 228	87 990	
Service charges - refuse revenue															
Service charges - other															
Rental of facilities and equipment	97	97	97	97	97	97	97	97	97	97	97	97	1 218	1 279	
Interest earned - external investments	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	21 853	22 946	
Interest earned - outstanding debtors	321	321	321	321	321	321	321	321	321	321	321	321	4 041	4 243	
Dividends received															
Fines															
Licences and permits															
Agency services															
Transfer receipts - operational	112 069			112 069	998	998	112 069	998	998	112 069			470 689	494 223	
Other revenue	998	998	998	998	998	998	998	998	998	998	998	998	12 576	13 205	
Cash Receipts by Source	140 248	28 179	28 179	140 248	28 179	28 179	140 248	28 179	28 179	140 248	28 179	28 179	825 745	867 032	
Other Cash Flows by Source															
Transfer receipts - capital	69 713			69 713			69 713			69 713			292 794	307 433	
Contributions recognised - capital & Contributed assets															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/financing															
Increase (decrease) in consumer deposits	91	91	91	91	91	91	91	91	91	91	91	91	1 141	1 198	
Decrease (increase) in non-current debtors	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(326)	(342)	
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	210 025	28 244	28 244	210 025	28 244	28 244	210 025	28 244	28 244	210 025	28 244	28 244	1 066 050	1 175 321	
Cash Payments by Type															
Employee related costs	26 788	53 576	26 788	26 788	26 788	26 788	26 788	26 788	26 788	26 788	26 788	26 788	365 657	383 940	
Remuneration of councillors	1 103	1 103	1 103	1 103	1 103	1 103	1 103	1 103	1 103	1 103	1 103	1 103	13 897	14 592	
Finance charges	873	873	873	873	873	873	873	873	873	873	873	873	10 995	11 544	
Bulk purchases - Electricity															
Bulk purchases - Water & Sewer	6 900	6 900	6 900	6 900	6 900	6 900	6 900	6 900	6 900	6 900	6 900	6 900	86 942	91 289	
Other materials	747	747	747	747	747	747	747	747	747	747	747	747	9 410	9 881	
Contracted services	2 963	2 963	2 963	2 963	2 963	2 963	2 963	2 963	2 963	2 963	2 963	2 963	37 336	39 203	
Transfers and grants - other municipalities															
Transfers and grants - other	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 526	1 526	19 226	20 187	
Other expenditure	23 018	23 018	23 018	23 018	23 018	23 018	23 018	23 018	23 018	23 018	23 018	23 018	290 032	304 534	
Cash Payments by Type	63 918	90 706	63 918	63 918	63 918	63 918	63 918	63 918	63 918	63 918	63 918	63 918	833 495	875 169	
Other Cash Flows/Payments by Type															
Capital assets															
Repayment of borrowing	30 013	30 013	30 013	30 013	30 013	30 013	30 013	30 013	30 013	30 013	30 013	30 013	378 159	397 066	
Other Cash Flows/Payments	1 726	1 726	1 726	1 726	1 726	1 726	1 726	1 726	1 726	1 726	1 726	1 726	21 750	22 837	
Total Cash Payments by Type	95 657	122 445	95 657	95 657	95 657	95 657	95 657	95 657	95 657	95 657	95 657	95 657	1 233 403	1 295 073	
NET INCREASE/(DECREASE) IN CASH HELD	114 368	(94 201)	(67 413)	114 368	(67 413)	(67 413)	114 368	(67 413)	(67 413)	114 368	(67 413)	(67 413)	(114 050)	(119 753)	
Cash/cash equivalents at the month/year begin:	281 797	396 166	301 964	234 551	348 920	281 507	214 094	328 462	261 049	193 636	308 004	240 591	173 178	59 128	
Cash/cash equivalents at the month/year end:	396 166	301 964	234 551	348 920	281 507	214 094	328 462	261 049	193 636	308 004	240 591	173 178	59 128	(60 625)	
References															

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTREF it is now directly linked to A7.

DC21 Ugu - Supporting Table SA31 Aggregated entity budget

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R million										
Financial Performance										
Property rates										
Service charges										
Investment revenue		0	1	1	1	1	1	1	1	1
Transfers recognised - operational		13	21	22	25	29	29	29	30	31
Other own revenue		1	1	1	5	4	4	6	6	6
Contributions recognised - capital & contributed assets										
Total Revenue (excluding capital transfers and contributions)		14	22	23	31	34	34	35	37	39
Employee costs		4	8	8	11	10	10	12	12	13
Remuneration of Board Members		0	0	1	1	1	1	1	1	2
Depreciation & asset impairment		0	0	0	0	-	-	0	0	0
Finance charges		-	0	0	0	1	1	0	0	0
Materials and bulk purchases		-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		7	11	11	19	23	23	21	22	23
Total Expenditure		12	19	20	31	34	34	34	36	38
Surplus/(Deficit)		3	3	4	0	(0)	(0)	1	1	1
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - operational				1	1	0	0	0	0	0
Public contributions & donations										
Borrowing										
Internally generated funds		0	0	-	1	0	0	0	0	0
Total sources		0	0	1	1	1	1	0	0	0
Financial position										
Total current assets		13	17	20	15	15	15	14	15	16
Total non current assets		1	1	1	2	2	2	6	7	7
Total current liabilities		2	2	2	2	1	1	1	1	1
Total non current liabilities		-	-	-	-	-	-	-	-	-
Equity		12	16	20	13	15	15	20	21	22
Cash flows										
Net cash from (used) operating		5	1	1	1	13	13	13	14	14
Net cash from (used) investing		(0)	(0)	(0)	(4)	(0)	(0)	(1)	(1)	(1)
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end		11	1	1	3	27	27	39	41	43

DC21 Ugu - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand											
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	1	229 091	302 596	328 688	284 803	299 608	284 627	29 500	30 975	32 524	
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-	
Storm water		-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	
Generation		-	-	-	-	-	-	-	-	-	
Transmission & Reticulation		-	-	-	-	-	-	-	-	-	
Street Lighting		-	-	-	-	-	-	-	-	-	
Infrastructure - Water		225 028	281 738	280 883	237 597	251 175	238 617	9 500	9 975	10 474	
Dams & Reservoirs		-	-	-	-	-	-	-	-	-	
Water purification		-	-	-	-	-	-	-	-	-	
Reticulation		225 028	281 738	280 883	237 597	251 175	238 617	9 500	9 975	10 474	
Infrastructure - Sanitation		4 063	20 858	47 805	47 206	48 432	46 011	20 000	21 000	22 050	
Reticulation		-	-	-	-	-	-	-	-	-	
Sewerage purification		4 063	20 858	47 805	47 206	48 432	46 011	20 000	21 000	22 050	
Infrastructure - Other		-	-	-	-	-	-	-	-	-	
Waste Management		-	-	-	-	-	-	-	-	-	
Transportation		-	-	-	-	-	-	-	-	-	
Gas		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Community		7	-	-	-	-	-	-	-	-	-
Parks & gardens			-	-	-	-	-	-	-	-	-
Sportsfields & stadia			-	-	-	-	-	-	-	-	-
Swimming pools			-	-	-	-	-	-	-	-	-
Community halls			-	-	-	-	-	-	-	-	-
Libraries	-		-	-	-	-	-	-	-	-	
Recreational facilities	-		-	-	-	-	-	-	-	-	
Fire, safety & emergency	-		-	-	-	-	-	-	-	-	
Security and policing	-		-	-	-	-	-	-	-	-	
Buses	-		-	-	-	-	-	-	-	-	
Clinics	-		-	-	-	-	-	-	-	-	
Museums & Art Galleries	-		-	-	-	-	-	-	-	-	
Cemeteries	-		-	-	-	-	-	-	-	-	
Social rental housing	-		-	-	-	-	-	-	-	-	
Other	-		-	-	-	-	-	-	-	-	
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Investment properties	10	-	-	-	-	-	-	-	-	-	
Housing development		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Other assets	10	13 323	20 704	30 861	50 785	49 626	47 144	52 365	54 983	57 732	
General vehicles		-	10 286	10 015	15 650	15 280	14 516	15 750	16 538	17 364	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment		-	-	2 661	-	-	-	-	-	-	
Computers - hardware/equipment		35	367	1 520	18 895	10 818	10 087	5 800	5 880	6 174	
Furniture and other office equipment		99	157	-	2 440	2 145	2 038	1 315	1 381	1 450	
Abattoirs		-	-	-	-	-	-	-	-	-	
Markets		-	-	-	-	-	-	-	-	-	
Civic Land and Buildings		-	-	-	-	-	-	-	-	-	
Other Buildings		3 881	8 794	16 484	16 000	21 563	20 504	29 700	31 185	32 744	
Other Land		-	-	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-	
Other		9 328	1 080	-	-	-	-	-	-	-	
Agricultural assets		11	-	-	-	-	-	-	-	-	-
List sub-class			-	-	-	-	-	-	-	-	-
	-		-	-	-	-	-	-	-	-	
Biological assets	12	-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
Intangibles	13	2 483	2 487	4 902	-	-	-	-	-	-	
Computers - software & programming		-	-	-	-	-	-	-	-	-	
Other (list sub-class)		2 483	2 487	4 902	-	-	-	-	-	-	
Total Capital Expenditure on new assets	1	244 897	325 786	364 251	335 588	349 233	331 772	81 865	85 958	90 256	
Specialised vehicles	14	-	-	-	-	-	-	-	-	-	
Refuse		-	-	-	-	-	-	-	-	-	
Fire		-	-	-	-	-	-	-	-	-	
Conservancy		-	-	-	-	-	-	-	-	-	
Ambulances		-	-	-	-	-	-	-	-	-	

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure in Budgeted Capital Expenditure
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

DC21 Ugu - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			58 254	-	-	33 559	-	-	278 851	292 794	307 433
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges			-	-	-	-	-	-	-	-	-
Storm water			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Generation			-	-	-	-	-	-	-	-	-
Transmission & Reticulation			-	-	-	-	-	-	-	-	-
Street Lighting			-	-	-	-	-	-	-	-	-
Infrastructure - Water			39 858	-	-	8 000	-	-	217 351	228 219	239 629
Dams & Reservoirs			-	-	-	-	-	-	-	-	-
Water purification			-	-	-	-	-	-	-	-	-
Reticulation			39 858	-	-	8 000	-	-	217 351	228 219	239 629
Infrastructure - Sanitation			16 395	-	-	25 559	-	-	61 500	64 575	67 804
Reticulation			-	-	-	-	-	-	-	-	-
Sewerage purification			16 395	-	-	25 559	-	-	61 500	64 575	67 804
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Waste Management			-	-	-	-	-	-	-	-	-
Transportation		2	-	-	-	-	-	-	-	-	-
Gas			-	-	-	-	-	-	-	-	-
Other		3	-	-	-	-	-	-	-	-	-
Community			3 066	-	-	-	-	-	-	-	-
Parks & gardens			-	-	-	-	-	-	-	-	-
Sportsfields & stadia			-	-	-	-	-	-	-	-	-
Swimming pools			-	-	-	-	-	-	-	-	-
Community halls			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Recreational facilities			-	-	-	-	-	-	-	-	-
Fire, safety & emergency			-	-	-	-	-	-	-	-	-
Security and policing			-	-	-	-	-	-	-	-	-
Buses			-	-	-	-	-	-	-	-	-
Clinics			-	-	-	-	-	-	-	-	-
Museums & Art Galleries			-	-	-	-	-	-	-	-	-
Cemeteries			-	-	-	-	-	-	-	-	-
Social rental housing		8	-	-	-	-	-	-	-	-	-
Other			3 066	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings			-	-	-	-	-	-	-	-	-
Other		9	-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Housing development			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	-	-	-	-	-	-
General vehicles			-	-	-	-	-	-	-	-	-
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment		10	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment			-	-	-	-	-	-	-	-	-
Furniture and other office equipment			-	-	-	-	-	-	-	-	-
Abattoirs			-	-	-	-	-	-	-	-	-
Markets			-	-	-	-	-	-	-	-	-
Civic Land and Buildings			-	-	-	-	-	-	-	-	-
Other Buildings			-	-	-	-	-	-	-	-	-
Other Land			-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming			-	-	-	-	-	-	-	-	-
Other (list sub-class)			-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1		61 320	-	-	33 559	-	-	278 851	292 794	307 433

Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		20.0%	0.0%	0.0%	9.1%	0.0%	0.0%	77.3%	77.3%	77.3%
Renewal of Existing Assets as % of deprecn		30.9%	0.0%	0.0%	27.2%	0.0%	0.0%	233.6%	233.6%	233.6%

References:

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) must reconcile to total capital expenditure in Budgeted Capital Expenditure
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Buses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

DC21 Ugu - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	1										
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	2	10 480	20 354	24 419	32 857	31 826	30 330	31 091	32 645	34 278	
Infrastructure - Road transport		1 463	954	1 145	5 799	5 634	5 353	5 487	5 761	6 049	
Roads, Pavements & Bridges		1 463	954	1 145	5 799	5 634	5 353	5 487	5 761	6 349	
Storm water											
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	
Generation											
Transmission & Reticulation											
Street Lighting											
Infrastructure - Water		8 317	15 057	18 064	20 695	20 109	19 104	19 583	20 562	21 580	
Dams & Reservoirs		263	2 219	2 662	3 414	3 317	3 151	3 230	3 392	3 561	
Water purification		111	2 332	2 797	4 854	4 716	4 460	4 593	4 822	5 063	
Reticulation		7 943	10 507	12 605	12 426	12 076	11 472	11 760	12 348	12 965	
Infrastructure - Sanitation		689	4 342	5 210	3 300	3 206	3 046	3 122	3 279	3 443	
Reticulation		686	3 148	3 774	1 515	1 473	1 399	1 434	1 506	1 581	
Sewerage purification		14	1 197	1 436	1 784	1 734	1 647	1 688	1 773	1 882	
Infrastructure - Other		-	-	-	3 063	2 876	2 827	2 898	3 043	3 195	
Waste Management											
Transportation											
Gas											
Other		3				3 063	2 975	2 827	2 898	3 043	3 195
Community	7	-	-	-	-	-	-	-	-	-	
Parks & gardens											
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other		8									
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings											
Other											
Investment properties	10	-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets	10	6 237	31 284	37 532	36 619	35 582	33 803	34 651	36 383	38 202	
General vehicles					16 000	15 547	14 770	15 140	15 897	16 692	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment		5 085	14 952	17 838	12 234	11 885	11 293	11 577	12 156	12 763	
Computers - hardware/equipment		126	58	70	215	209	198	203	214	224	
Furniture and other office equipment					107	104	99	101	106	112	
Abattoirs					-	-	-	-	-	-	
Markets					-	-	-	-	-	-	
Civic Land and Buildings		1 026	2 519	3 022	6 221	6 045	5 743	5 887	6 181	6 490	
Other Buildings					-	-	-	-	-	-	
Other Land					-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)					-	-	-	-	-	-	
Other			13 755	16 502	1 841	1 789	1 700	1 742	1 829	1 921	
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Intangibles		456	1 000	1 200	1 160	1 127	1 071	1 098	1 153	1 210	
Computers - software & programming											
Other (list sub-class)		456	1 000	1 200	1 160	1 127	1 071	1 098	1 153	1 210	
Total Repairs and Maintenance Expenditure	1	17 173	52 838	63 151	70 636	68 636	65 204	66 839	70 181	73 690	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse											
Fire											
Conservancy											
Ambulances											
R&M as a % of PPE		0.5%	1.5%	1.6%	1.6%	1.6%	1.6%	1.7%	1.7%	1.7%	
R&M as % Operating Expenditure		2.4%	5.8%	6.8%	7.7%	7.4%	7.4%	7.3%	7.3%	7.3%	

References

- Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1
- Airports, Car Parks, Bus Terminals and Taxi Ranks
- For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
- Work-in-progress/under construction to be budgeted under the respective item
- Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
- Donated/contributed & leased assets to be included within the respective sub-class
- Busses used to provide a service to the community
- Not municipal contributions to the 'top structure' being built using the housing subsidies
- Statues, art collections, medals etc.
- Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

DC21 Ugu - Supporting Table SA34d Consolidated Depreciation by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Added Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Depreciation by Asset Class/Sub-class										
Infrastructure		172 896	239 300	179 832	112 865	117 572	111 894	108 610	114 250	119 863
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		168 447	223 731	161 665	101 542	105 684	100 389	97 607	102 698	107 832
Dams & Reservoirs		153 604	159 978	96 633	60 462	62 928	59 782	58 236	61 160	64 208
Water purification		7 858	33 751	34 423	21 851	22 742	21 605	21 047	22 100	23 205
Reticulation		6 985	30 002	30 599	19 229	20 013	19 013	18 522	19 448	20 420
Infrastructure - Sanitation		4 149	15 659	18 177	11 423	11 889	11 284	11 003	11 563	12 130
Reticulation		98	357	426	269	280	256	259	272	286
Sewerage purification		4 052	15 202	17 748	11 153	11 608	11 028	10 743	11 280	11 844
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas	3	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		6 377	79 869	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		5 773	79 522	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		604	337	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	4 200	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	4 200	-	-	-	-	-	-	-
Other assets		14 867	11 345	12 821	8 324	8 663	8 230	8 307	8 723	9 159
General vehicles		6 699	5 196	6 056	3 812	3 988	3 769	3 672	3 856	4 048
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		1 634	1 288	1 055	930	968	920	1 186	1 245	1 307
Computers - hardware/equipment		2 314	1 795	2 096	1 317	1 371	1 302	1 269	1 332	1 389
Furniture and other office equipment		953	739	863	542	565	536	523	549	576
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civil Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		3 120	2 233	2 607	1 638	1 705	1 620	1 578	1 657	1 740
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or inventory)		-	-	-	-	-	-	-	-	-
Other		146	113	132	83	87	82	80	84	88
Agricultural assets		-	-	-	-	-	-	-	-	-
Livestock		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Livestock		-	-	-	-	-	-	-	-	-
Intangibles		4 635	3 155	2 451	2 316	2 410	2 269	2 230	2 342	2 459
Computers - software & programming		4 635	3 155	2 451	2 316	2 410	2 269	2 230	2 342	2 459
Other (not sub-class)		-	-	-	-	-	-	-	-	-
Total Depreciation	1	198 475	337 960	195 403	123 604	128 645	122 213	119 347	125 315	131 580
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Buses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

DC21 Ugu - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description R thousand	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
Capital expenditure	1							
Vote 1 - EXECUTIVE & COUNCIL		1 000	1 050	1 103				
Vote 2 - FINANCE & ADMINISTRATION		49 150	51 608	54 188				
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT		565	593	623				
Vote 4 - WATER		227 851	239 244	251 206				
Vote 5 - WASTE WATER MANAGEMENT		81 500	85 575	89 854				
Vote 6 - PUBLIC SAFETY		—	—	—				
Vote 7 - ENVIRONMENTAL PROTECTION		650	683	717				
Vote 8 - OTHER: MARKET		—	—	—				
Vote 9 - SPORTS & RECREATION		—	—	—				
Vote 10 - [NAME OF VOTE 10]		—	—	—				
Vote 11 - [NAME OF VOTE 11]		—	—	—				
Vote 12 - [NAME OF VOTE 12]		—	—	—				
Vote 13 - [NAME OF VOTE 13]		—	—	—				
Vote 14 - [NAME OF VOTE 14]		—	—	—				
Vote 15 - [NAME OF VOTE 15]		—	—	—				
List entity summary if applicable								
Total Capital Expenditure		360 716	378 752	397 689	—	—	—	—
Future operational costs by vote	2							
Vote 1 - EXECUTIVE & COUNCIL								
Vote 2 - FINANCE & ADMINISTRATION								
Vote 3 - INFRASTRUCTURE & ECONOMIC DEVELOPMENT								
Vote 4 - WATER								
Vote 5 - WASTE WATER MANAGEMENT								
Vote 6 - PUBLIC SAFETY								
Vote 7 - ENVIRONMENTAL PROTECTION								
Vote 8 - OTHER: MARKET								
Vote 9 - SPORTS & RECREATION								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		—	—	—	—	—	—	—
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		—	—	—	—	—	—	—
Net Financial Implications		360 716	378 752	397 689	—	—	—	—

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

CCTV Use - Expenditure Table 2019/20 - Continued and detailed final report									
Item	Number of cameras	Project number	Project description	Project start	Project end	Project status	Project cost	Project cost	Project cost
Item	Number of cameras	Project number	Project description	Project start	Project end	Project status	Project cost	Project cost	Project cost
Item 1	1	1	Item 1 description	1	1	1	1	1	1
Item 2	2	2	Item 2 description	2	2	2	2	2	2
Item 3	3	3	Item 3 description	3	3	3	3	3	3
Item 4	4	4	Item 4 description	4	4	4	4	4	4
Item 5	5	5	Item 5 description	5	5	5	5	5	5
Item 6	6	6	Item 6 description	6	6	6	6	6	6
Item 7	7	7	Item 7 description	7	7	7	7	7	7
Item 8	8	8	Item 8 description	8	8	8	8	8	8
Item 9	9	9	Item 9 description	9	9	9	9	9	9
Item 10	10	10	Item 10 description	10	10	10	10	10	10
Item 11	11	11	Item 11 description	11	11	11	11	11	11
Item 12	12	12	Item 12 description	12	12	12	12	12	12
Item 13	13	13	Item 13 description	13	13	13	13	13	13
Item 14	14	14	Item 14 description	14	14	14	14	14	14
Item 15	15	15	Item 15 description	15	15	15	15	15	15
Item 16	16	16	Item 16 description	16	16	16	16	16	16
Item 17	17	17	Item 17 description	17	17	17	17	17	17
Item 18	18	18	Item 18 description	18	18	18	18	18	18
Item 19	19	19	Item 19 description	19	19	19	19	19	19
Item 20	20	20	Item 20 description	20	20	20	20	20	20
Item 21	21	21	Item 21 description	21	21	21	21	21	21
Item 22	22	22	Item 22 description	22	22	22	22	22	22
Item 23	23	23	Item 23 description	23	23	23	23	23	23
Item 24	24	24	Item 24 description	24	24	24	24	24	24
Item 25	25	25	Item 25 description	25	25	25	25	25	25
Item 26	26	26	Item 26 description	26	26	26	26	26	26
Item 27	27	27	Item 27 description	27	27	27	27	27	27
Item 28	28	28	Item 28 description	28	28	28	28	28	28
Item 29	29	29	Item 29 description	29	29	29	29	29	29
Item 30	30	30	Item 30 description	30	30	30	30	30	30
Item 31	31	31	Item 31 description	31	31	31	31	31	31
Item 32	32	32	Item 32 description	32	32	32	32	32	32
Item 33	33	33	Item 33 description	33	33	33	33	33	33
Item 34	34	34	Item 34 description	34	34	34	34	34	34
Item 35	35	35	Item 35 description	35	35	35	35	35	35
Item 36	36	36	Item 36 description	36	36	36	36	36	36
Item 37	37	37	Item 37 description	37	37	37	37	37	37
Item 38	38	38	Item 38 description	38	38	38	38	38	38
Item 39	39	39	Item 39 description	39	39	39	39	39	39
Item 40	40	40	Item 40 description	40	40	40	40	40	40
Item 41	41	41	Item 41 description	41	41	41	41	41	41
Item 42	42	42	Item 42 description	42	42	42	42	42	42
Item 43	43	43	Item 43 description	43	43	43	43	43	43
Item 44	44	44	Item 44 description	44	44	44	44	44	44
Item 45	45	45	Item 45 description	45	45	45	45	45	45
Item 46	46	46	Item 46 description	46	46	46	46	46	46
Item 47	47	47	Item 47 description	47	47	47	47	47	47
Item 48	48	48	Item 48 description	48	48	48	48	48	48
Item 49	49	49	Item 49 description	49	49	49	49	49	49
Item 50	50	50	Item 50 description	50	50	50	50	50	50
Item 51	51	51	Item 51 description	51	51	51	51	51	51
Item 52	52	52	Item 52 description	52	52	52	52	52	52
Item 53	53	53	Item 53 description	53	53	53	53	53	53
Item 54	54	54	Item 54 description	54	54	54	54	54	54
Item 55	55	55	Item 55 description	55	55	55	55	55	55
Item 56	56	56	Item 56 description	56	56	56	56	56	56
Item 57	57	57	Item 57 description	57	57	57	57	57	57
Item 58	58	58	Item 58 description	58	58	58	58	58	58
Item 59	59	59	Item 59 description	59	59	59	59	59	59
Item 60	60	60	Item 60 description	60	60	60	60	60	60
Item 61	61	61	Item 61 description	61	61	61	61	61	61
Item 62	62	62	Item 62 description	62	62	62	62	62	62
Item 63	63	63	Item 63 description	63	63	63	63	63	63
Item 64	64	64	Item 64 description	64	64	64	64	64	64
Item 65	65	65	Item 65 description	65	65	65	65	65	65
Item 66	66	66	Item 66 description	66	66	66	66	66	66
Item 67	67	67	Item 67 description	67	67	67	67	67	67
Item 68	68	68	Item 68 description	68	68	68	68	68	68
Item 69	69	69	Item 69 description	69	69	69	69	69	69
Item 70	70	70	Item 70 description	70	70	70	70	70	70
Item 71	71	71	Item 71 description	71	71	71	71	71	71
Item 72	72	72	Item 72 description	72	72	72	72	72	72
Item 73	73	73	Item 73 description	73	73	73	73	73	73
Item 74	74	74	Item 74 description	74	74	74	74	74	74
Item 75	75	75	Item 75 description	75	75	75	75	75	75
Item 76	76	76	Item 76 description	76	76	76	76	76	76
Item 77	77	77	Item 77 description	77	77	77	77	77	77
Item 78	78	78	Item 78 description	78	78	78	78	78	78
Item 79	79	79	Item 79 description	79	79	79	79	79	79
Item 80	80	80	Item 80 description	80	80	80	80	80	80
Item 81	81	81	Item 81 description	81	81	81	81	81	81
Item 82	82	82	Item 82 description	82	82	82	82	82	82
Item 83	83	83	Item 83 description	83	83	83	83	83	83
Item 84	84	84	Item 84 description	84	84	84	84	84	84
Item 85	85	85	Item 85 description	85	85	85	85	85	85
Item 86	86	86	Item 86 description	86	86	86	86	86	86
Item 87	87	87	Item 87 description	87	87	87	87	87	87
Item 88	88	88	Item 88 description	88	88	88	88	88	88
Item 89	89	89	Item 89 description	89	89	89	89	89	89
Item 90	90	90	Item 90 description	90	90	90	90	90	90
Item 91	91	91	Item 91 description	91	91	91	91	91	91
Item 92	92	92	Item 92 description	92	92	92	92	92	92
Item 93	93	93	Item 93 description	93	93	93	93	93	93
Item 94	94	94	Item 94 description	94	94	94	94	94	94
Item 95	95	95	Item 95 description	95	95	95	95	95	95
Item 96	96	96	Item 96 description	96	96	96	96	96	96
Item 97	97	97	Item 97 description	97	97	97	97	97	97
Item 98	98	98	Item 98 description	98	98	98	98	98	98
Item 99	99	99	Item 99 description	99	99	99	99	99	99
Item 100	100	100	Item 100 description	100	100	100	100	100	100

UGU DISTRICT MUNICIPALITY

OTHER DEPARTMENTS - DRAFT CAPITAL BUDGET 2017/2018

Capital Item	Department	Total Amount	SOURCE OF FUNDING	
			Internal Funds	Other Grants
COMPUTER EQUIPMENT				
mSCOA System Implementation (Phase 2)	020-060-000-000-000	R 3 000 000	3 000 000	
Generators x 2 (Connor, Harding)	ICT - CS	R 1 100 000	1 100 000	
Tape Library for Production Environment	ICT - CS	R 350 000	350 000	
Disaster Recovery Storage	ICT - CS	R 500 000	500 000	
Odometre for noise pollution	IED: Environmental Manag	R 300 000	300 000	
PM10 monitor	IED: Environmental Manag	R 350 000	350 000	
FURNITURE AND EQUIPMENT				
Furniture (Beds, cupboards, chairs, equipment) for Disaster Fire tender building	DM - CS	R 200 000	200 000	
OHS Safety Equipment	HR - CS	R 200 000	200 000	
Chairs	AUX - CS	R 200 000	200 000	
Office desks	AUX - CS	R 150 000	150 000	
MOTOR VEHICLES				
Vehicle Fleet Replacement	FLEET - CS	R 10 000 000	10 000 000	
1 TLB's	FLEET - CS	R 1 250 000	1 250 000	
2 X WATER TANKER TRUCKS (1 x roll back)	FLEET - CS	R 3 500 000	3 500 000	
BUILDINGS AND STRUCTURES				
Property Transfers Project	010-010-000-000-000	R 1 000 000	1 000 000	
Disaster Management Building	DM - CS	R 8 000 000	8 000 000	
Oslo Beach Phase 3	AUX - CS	R 10 000 000	10 000 000	
Canteen & Toilet for Connor Street and ground floor	AUX - CS	R 500 000	500 000	
Fleet workshop & garage earthworks	AUX - CS	R 1 700 000	1 700 000	
Improvement various areas (including stores)	AUX - CS	R 8 500 000	8 500 000	
Total		R 50 800 000	50 800 000	0

UGU DISTRICT MUNICIPALITY

WATER - DRAFT CAPITAL BUDGET 2017/2018

Capital Item	Total Amount	OLD OR NEW PROJECTS	SOURCE OF FUNDING		
			Internal Funds	Other Grants	MIG Grant
MOTOR VEHICLES (5)					
1 x mini excavators with trailers area south	1 000 000		1 000 000		
WATER INFRASTRUCTURE					
M&E Replacement of aged infrastructure	7 000 000		7 000 000		
Static tanks and stands	1 000 000		1 000 000		
Safety Equipment water plants	1 500 000		1 500 000		
WATER INFRASTRUCTURE (RBIG)					
WATER INFRASTRUCTURE (WSIG)					
Gamalakehe	5 000 000	Old		5 000 000	
Maphumulo C	15 000 000	Old		15 000 000	
NRW	30 372 000	Old		30 372 000	
WATER INFRASTRUCTURE (MIG)					
Kwaxolo Water Supply: Reticulation	R4 000 000	Old			4 000 000
KwaXolo bulk water supply project	R3 000 000	Old			3 000 000
Mhlabatshane Regional Water Supply Scheme	R10 000 000	Old			10 000 000
Umtamvuna Water Works Raw Water Upgrade	R20 000 000	Old			20 000 000
Harding Weza Regional Bulk Water Supply Planning (Dam)	R35 000 000	Old			35 000 000
Harding Weza Regional Bulk Water Supply Planning (Bulk)	R7 500 000	Old			7 500 000
Umzimkhulu Bulk Water Augmentation Scheme Stage	R10 500 000	Old			10 500 000
Masinenge Bulk Water and Sanitation Project	R5 500 000	Old			5 500 000
Msikaba and Surrounds Water Supply Scheme	R5 000 000	Old			5 000 000
Umzinto Slum Clearance: Farm Isonti Low cost Housing Water and Sa	R10 000 000	Old			10 000 000
Water Pipeline Replacements	R33 500 000	Old			33 500 000
Mistake Farm Supply Scheme	R11 479 000	Old			11 479 000
Bulk Water and Sewer Infrastructure for Mazakhele, Harding	R1 500 000	Old			1 500 000
Vulamehlo Cross-Border Water Scheme	R5 000 000	Old			5 000 000
KwaLembe Bulk Water Extension	R2 500 000	Old			2 500 000
KwaNyuswa	R2 500 000	Old			2 500 000
Total	227 851 000		10 500 000	50 372 000	166 979 000

UGU DISTRICT MUNICIPALITY
WATER - DRAFT CAPITAL BUDGET 2017/2018

Capital Item	Total Amount	OLD OR NEW PROJECTS	SOURCE OF FUNDING		
			Internal Funds	Other Grants	MIG Grant
SANITATION INFRASTRUCTURE					
M&E Replacement of aged infrastructure	R 7 500 000		7 500 000		
Safety Equipment sanitation plants	R 500 000		500 000		
Umbango WWTW ultrasonic flow meter	R 200 000		200 000		
Umbango WWTW Aerators	R 1 400 000		1 400 000		
Umbango WWTW dissolved oxigen probe	R 200 000		200 000		
Umbango WWTW Sludge wasting unit	R 800 000		800 000		
Umbango WWTW chlorine dosing system replacement	R 600 000		600 000		
Umbango WWTW Choline contact tank	R 1 200 000		1 200 000		
Umbango WWTW Upgrade scum removal system	R 200 000		200 000		
Margate WWTW Air blowers	R 1 200 000		1 200 000		
Margate WWTW dissolved oxygwn probe	R 50 000		50 000		
Margate WWTW additional scum drying beds	R 200 000		200 000		
Margate WWTW standby chlorination system	R 150 000		150 000		
Margate WWTW weight balance scale	R 15 000		15 000		
Margate sewer pump station ventilation systems	R 200 000		200 000		
Shelly Beach WWTW Mechanical bar screens	R 300 000		300 000		
Shelly Beach WWTW Phase 1 aerator	R 500 000		500 000		
Shelly Beach WWTW dissolved oxgen probe	R 20 000		20 000		
Gamalakhe WWTW storm attenuation pond return pumps	R 200 000		200 000		
Gamalakhe WWTW scum board	R 500 000		500 000		
Gamalakhe WWTW humus pipeline replacement	R 200 000		200 000		
Ramsgate WWTW dissolved oxygen probe	R 50 000		50 000		
Ramsgate WWTW Axonic zone mixer	R 200 000		200 000		
Ramsgate WWTW Chlorination system	R 300 000		300 000		
Palm Beach WWTW replacement of aged handrails	R 100 000		100 000		
Palm Beach WWTW dissolved oxygen probes	R 50 000		50 000		
Red Desert WWTW replacement of aged handrails	R 20 000		20 000		
Red Desert WWTW dissolved oxygen probes	R 50 000		50 000		
Red Desert WWTW Sodium Hypo dosing facility	R 60 000		60 000		
Melville WWTW sodium hypo disinfection system	R 50 000		50 000		
Pennington WWTW mechanical cleaned screens	R 400 000		400 000		
Pennington WWTW Screen wash launder	R 20 000		20 000		
Pennington WWTW dissolved oxgen probes	R 20 000		20 000		
Pennington WWTW sodium hypo dosing unit	R 20 000		20 000		
Scottburgh WWTW PST 1 bridge	R 635 000		635 000		
Scottburgh WWTW penstock gates and sleeves	R 60 000		60 000		

Scottburgh WWTW MCC room elevation	R 100 000			100 000		
Scottburgh WWTW extension of bioreactor walls	R 200 000			200 000		
Scottburgh WWTW dissolved oxygen probe	R 50 000			50 000		
Scottburgh WWTW clarifier 1 bridge replacement	R 600 000			600 000		
Scottburgh WWTW standby pump	R 300 000			300 000		
Scottburgh WWTW flowmeter	R 50 000			50 000		
Scottburgh WWTW automated chlorine dosing system	R 300 000			300 000		
Scottburgh WWTW primary digester recirculation pipeline	R 10 000			10 000		
Scottburgh WWTW digested sludge standby pump	R 30 000			30 000		
Umzinto WWTW dissolved oxygen probe	R 50 000			50 000		
Umzinto WWTW flow proportion dosing unit	R 80 000			80 000		
KwaMbonwa WWTW division box	R 10 000			10 000		
KwaMbonwa WWTW dissolved oxygen probe	R 50 000			50 000		
SANITATION INFRASTRUCTURE (MIG)						
Malangenil Low Cost Housing Project	10 000 000	Old				10 000 000
Sanitation Refurbishment Phase 1 – Port Edward to Park Rynie	10 000 000	Old				10 000 000
Umzinto Waste Water Treatment Works and Outfall Sewers Upgrade and Reticulation	10 000 000	Old				10 000 000
Pennington Waterborne Sanitation Project-Provision of Bulk Sewer & Reticulation	12 500 000	Old				12 500 000
Harding Sanitation Scheme: Phase 3	1 500 000	Old				1 500 000
Margate Sewer Pipeline Replacement	8 000 000	Old				8 000 000
Masinenge/uVongo Sanitation Project	3 500 000	Old				3 500 000
Bhobhovi/Mkholombe Sanitation	2 000 000	Old				2 000 000
Park Rynie Sanitation	1 500 000	Old				1 500 000
KwaLatshoda	2 500 000	Old				2 500 000
Total	R 81 500 000			20 000 000	-	61 500 000

R 360 151 000	81 300 000	50 372 000	228 479 000
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UGU BUDGET	R 360 151 000
TOURISM	R 465 000
DEVELOPMENT AGENCY	R 100 000
Total	R 360 716 000

UGU DISTRICT MUNICIPALITY
MUNICIPAL INFRASTRUCTURE GRANT 2017/2018 ALLOCATION

DETAILS	2015/2016 Revised	2016/2017	2017/2018	% Increase
National MIG Allocation	249 316 000	233 873 000	245 479 000	4.96%
Vat Recovered MIG				
Less : Allocated Expenditure	245 189 000	249 316 000	245 297 000	-1.61%
Capital – Sanitation				
Infrastructure Projects	46 906 419	53 269 420	61 500 000	15.45%
Capital – Water				
Infrastructure Projects	193 252 618	189 800 000	166 797 000	-12.12%
	193 252 618	189 800 000	166 797 000	-12.12%
Operational – Grants	5 029 963	6 246 580	17 000 000	172.15%
Vulamehlo VIP's				#DIV/0!
Umzumbe VIP's	5 029 963			#DIV/0!
Ezingoleni VIP's				#DIV/0!
uMuziwabantu VIP's				#DIV/0!
Hibiscus Coast VIP's		5 000 000	15 000 000	200.00%
General Operational Expenditure (Prog. Mgt Costs)		1 246 580	2 000 000	60.44%
AVAILABLE	4 127 000	-15 443 000		0.00%

UGU DISTRICT MUNICIPALITY
EQUITABLE SHARE 2017/2018 ALLOCATION

105% 106%

DETAILS	Revised 2015/2016	Draft 2016/2017	Draft 2017/2018	% Increase
National Equitable Share Allocation	-303 885 000	-320 856 000	-342 776 000	6.8%
Less : Allocated Expenditure	303 327 949	320 856 000	342 776 000	6.8%
Cost of Supplying Free Basic Metered Water	22 206 747	23 317 084	24 716 109	6.0%
Free Basic Water – Standpipes	42 118 204	42 840 966	42 840 966	0.0%
Equitable Share 2015/2016 – Water	98 464 552	105 887 779	110 980 919	4.8%
Water Tariff Subsidization	69 438 080	72 909 984	77 284 583	6.0%
Indigent Support	24 435 163	25 656 921	27 196 336	6.0%
Drought Relief and Emergency Water Supply	4 591 309	7 320 875	6 500 000	-11.2%
Equitable Share 2015/2016 – Sanitation	6 212 451	6 523 073	6 914 458	6.0%
Sanitation Service Subsidization	6 212 451	6 523 073	6 914 458	6.0%
Equitable Share 2015/2016 – Grants	134 325 995	142 287 097	157 323 548	10.6%
Tourism Marketing – Single Tourism Body	6 442 183	6 764 292	7 102 507	5.0%
Tourism Development	5 153 747	5 411 434	5 682 006	5.0%
Development Agency	5 250 000	5 512 500	5 788 125	5.0%
Disaster Management	3 761 856	5 463 948	5 791 785	6.0%
Fire Fighting	3 000 000	1 636 000	1 734 160	6.0%
Environmental Services	16 466 655	17 289 987	18 327 386	6.0%
Local Economic Development Projects	1 671 155	1 754 713	2 104 949	20.0%
Other Operational Expenditure	92 580 400	98 454 223	110 792 630	12.5%
AVAILABLE	-557 051	0	-0	-190%

UGU DISTRICT MUNICIPALITY

TARIFF OF CHARGES 2017/2018 WITH EFFECT FROM 1 JULY 2017 (EXCLUDING VAT)

1. COUNCIL'S CHARGES FOR WATER SUPPLIED TO CONSUMERS

- (a) All consumers with a private water connection will be liable for the payment of a basic cost irrespective if water is supplied or not. The basic cost shall be calculated by multiplying the quota of a consumer by the amount of the basic cost.
- (b) Charges for water supplied shall be calculated by multiplying the consumption of the consumer by the applicable tariff code, by category of consumer.
- (c) The following tariff and basic costs will be implemented on all accounts submitted on or after **1 July 2017** based on the quota as allocated to the meter.

CONSUMPTION CHARGE

1. Properties zoned as Special and General Residential -Category A AND E

	2017/2018	2016/2017	
0 to 6 Kl	Free	Free	
0 – 39kl	12.27	11.47	7.00%
39 – 51kl	19.57	18.29	7.00%
>51kl	22.05	20.61	7.00%

2. Multi unit residential - Estates AND OTHER bulk users

Total Monthly Quota as per Service Level Agreement- Category B

	2017/2018	2017/2017	
For water consumption	8.69	8.12	7.00%
For water drawn in excess of quota	22.10	20.65	7.00%

3. Commercial, Industrial or other- Category C

For water consumption up to quota	12.27	11.47	7.00%
For water drawn in excess of quota	24.52	22.94	7.00%

4. Special Category - Category D

Basic to be determined as per Service Level Agreement
Water Consumption determined as per Service Level Agreement

BASIC CHARGE**Category A to D**

- (d) A monthly basic charge per kilolitre quota (or part thereof) per day which cost shall be paid at Council's option by the consumer and/or legal owner of the property serviced by the meter – R156.81 (R **146.55** (2016/2017))
Consumers residing in areas currently categorised as rural areas by the municipality will receive a 75% rebate on the basic charge.

Category E

- (e) A monthly basic charge per kilolitre quota of **0.71 kilolitres** per day, which cost shall be paid at Council's option by the consumers residing in areas currently categorised as sub-economic by the municipality – **R105.41** (2016/2017: **R98.51**)

- (f) **Water and Sanitation Basic Charges- other**

Category	Adjusted billing to
Schools	One Basic per meter + Charge per Kilolitre
Religious institutions & non-profit organisations	One Basic per meter + Charge per Kilolitre
Industrial	Calculated Quota
Category E	Sub-economic
Category F	Indigent

2. **COUNCIL'S CHARGE FOR A NEW WATER AND SANITATION CONNECTION**

2.1 WATER

SIZE	2018/2017	2016/2017	% Increase
15 mm [Other]	3,011.26	2,814.26	7.00%
20 mm	5,454.71	5,097.86	7.00%
25 mm	7,073.93	6,611.15	7.00%
40 mm	11,064.66	10,340.80	7.00%
SIZE		Deposit Required	
50mm	Cost plus 10%	12000.00	
75mm	Cost plus 10%	13000.00	
100mm	Cost plus 10%	14000.00	
50mm combination	Cost plus 10%	16000.00	

2.2 SANITATION

SIZE	2017/2018	2016/2017	% Increase
110mm standard connection, 6m from the boundary of the property to be connected	1,919.27	1,793.71	7.00%
160mm Standard connection 6m from the boundary of the property to be connected	2,468.74	2,307.23	7.00%
SIZE	2017/2018	2016/2017	
110mm under gravel, situated more than 6m from boundary of the property to be connected	Cost plus 10%	Cost plus 10%	
160mm under gravel, situated more than 6m from boundary of the property to be connected	Cost plus 10%	Cost plus 10%	
110mm under tarmac road, situated more than 6m from boundary of the property to be connected	Cost plus 10%	Cost plus 10%	
160mm under tarmac road, situated more than 6m from boundary of the property to be connected	Cost plus 10%	Cost plus 10%	

3. COUNCIL'S CHARGES FOR MISCELLANEOUS SERVICES

	SERVICE	2017/2018	2016/2017	% INCREASE
1.	Testing water meters 15 mm and 20 mm	1,237.79	1,156.81	7.00%
2.	Reconnection/Requested Disconnection of supply	261.23	244.14	7.00%
3.	Reconnection of supply outside working hours	1,139.30	1,064.77	7.00%
4.	Restriction (Credit control)	267.59	250.08	7.00%
5.	Disconnection (Credit control)	624.37	583.52	7.00%
6.	Special meter readings	891.93	833.58	7.00%
7.	Inspection of leaks in terms of Section 23(c)	1,190.56	1,112.67	7.00%
8.	Any other service			
9.	For water drawn from an unmetered point of supply per hour or part thereof	909.79	850.27	7.00%
10.	For water drawn from a hydrant standpipe	12.27/kl	11.47/kl	7.00%
11.	Availability charge per fire hydrant standpipe	94.01 per month per fire hydrant	87.86 per month per fire hydrant	7.00%

12.	Water supplied by tanker less/equal to 6kl	1,286.61	1,202.44	7.00%
13.	Plan approval fee	283.06	264.54	7.00%
14.	Inspection Fee per visit	576.08	538.39	7.00%
15.	Clearance Certificates	297.51	278.05	7.00%
16.	Drainage Certificate Fee	233.93	218.63	7.00%
17.	Application in terms of New Planning Act	2,909.50	2,719.16	7.00%
18.	Town Planning Applications	283.06	264.54	7.00%
19.	Miscellaneous charges	Cost + 10%	Cost + 10%	7.00%
20.	Administration fee/ Town Planning related matters	229.15	214.16	7.00%
21.	Administration fee/ Town Planning related matters	576.08	538.39	7.00%

4. **WATER AVAILABILITY CHARGE** for the year 2017/2018 raised in terms of Section 10G(7) of the Local Government Transitional Act, and the regulations framed in terms of Section 47 of the Ordinance 27/63, the Council levy a uniform **WATER RATE** as set out hereunder, on all land subject to such rate, within local authority areas and townships within the defined areas of the former Lower South Coast and Umzinto Regional Water Services Corporations, for the financial year ending **30 June 2018**:

A UNIFORM CHARGE OF R1,881.78 (2016/2017: R1,758.67) PER YEAR PER RATED LOT IRRESPECTIVE OF AREA

The final date for payment of such charge shall be **30 NOVEMBER 2017**.

5. **COUNCIL'S CHARGES FOR SANITATION SERVICES**

		2017/2018	2016/2017	% INCREASE (DECREASE)
5.1	Waterborne Sanitation (All Areas) Residential Basic Charge (per unit / per property) Charge per kilolitre (water consumption) Conservancy with a Main line facility to Pay 2 x basic fee	269.16 3.82 538.30	269.16 3.57 538.30	0.00% 7.00% 0.00%
	<u>Industrial/ Commercial</u> Basic Charge (per quota) Charge per kilolitre	269.16 3.82	269.16 3.57	0.00% 7.00%
	For any sewage effluent delivered to the sewerage works for processing, per kilolitre or part thereof	28.67	26.79	7.00%
5.3	Conservancy Tank Clearances (All Ugu) Residential Basic Charge (per unit/ per property) Charge per kilolitre(water consumption)	269.16 3.82	269.16 3.57	0.00% 7.00%
	SINGLE RESIDENTIAL UNITS ▪ FIRST LOAD 100% OF APPROVED TARIFF -	398.49	372.42	7.00%
	▪ SECOND LOAD 70% OF APPROVED			

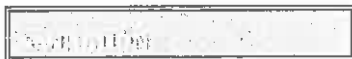
		2017/2018	2016/2017	% INCREASE (DECREASE)
	TARIFF-	278.94	260.69	7.00%
	▪ THIRD LOAD AND MORE 50% OF APPROVED	199.24	186.21	7.00%
	ON CONDITION THAT THERE IS A SPLIT OF GREY AND BLACK WATER As approved by a municipal inspector			
	Industrial/Commercial			
	Basic Charge(per quota)	269.16	269.16	0.00%
	Charge per kilolitre	3.82	3.57	7.00%
	<i>Conservancy tank customers will receive one load per month included in the basic charge tariff</i>			
5.4	Adhoc Vacuum tanker services (All Ugu) For each draw requested	543.78	508.21	7.00%
5.5	Removal of conservancy tank effluent: - - For the removal of conservancy effluent per load or part thereof after normal office hours (Monday to Friday). An applicant for the supply of a conservancy service shall pay a deposit equivalent to the rand value of the number of estimated additional monthly draws anticipated.	2,254.65	2,107.15	7.00%
5.6	1) Conservancy tank additional draws are performed on a cash basis, unless there is a consumer account reflecting an appropriate deposit. 2) Conservancy tank draws shall be performed within 48 hours of request and/or confirmation of receipt of monies. 3) It is the responsibility of the person requesting a draw to get a reference number for follow-up queries.	546.34 382.44 273.18	510.60 357.42 255.31	7.00% 7.00% 7.00%
5.7	Septic Tank Charge: - Umdoni Municipality - Per Draw Provided: i) The septic tank must be located and exposed by the owner. ii) The effluent in the septic tank must be liquefied by the owner. iii) The septic tank must be accessible for removal. This service is performed on a cash basis only.	1,433.12	1,339.36	7.00%
5.8	Leachate Removal Charge: - Umdoni Municipality - Per Draw	257.26	240.43	7.00%

6. Tariff of charges for GIS Copies of Maps – all prices excl vat

Size	Colour Copy		Black and White Copy		Standard photo Copy		% Increase / (Decrease)
	2017 / 2018	2016 / 2017	2017 / 2018	2016 / 2017	2017 / 2018	2016 / 2017	
AO	292.31	273.19	146.15	136.59		-	7.00%
A1	219.23	204.89	109.61	102.44		-	7.00%
A2	146.15	136.59	68.29	68.29		-	7.00%
A3	86.86	81.18	43.84	40.97	7.30	6.82	7.00%
A4	73.07	68.29	36.53	34.14	2.92	2.73	7.00%
Electronic Soft copy on CD	73.07	68.29				-	7.00%
Images (per MB)	59.66	55.76	36.53	34.14			7.00%

7. 1 CAPITAL CONTRIBUTIONS FOR 2017/2018

Capital contribution shall be based on the actual demand and actual current cost that each development requires as calculated by a registered Civil Engineer and agreed to by Ugu Water Services Authority. The design shall be in terms of the Guidelines for Engineering Services and the National Building Regulations (SANS 0400).
Failing to submit an Engineers report the following will apply:



OUTFALL SEWER/PUMPING MAIN		R 7 884.00
WASTE WATER TREATMENT WORKS		R 7 489.80
TOTAL		R 15 373.80
ONE QUOTA = 1000 LITERS		
		COST PER QUOTA
NETWORK		
DAM		R 2 299.50
SUPPLY PIPELINE		R 2 089.26
PUMPSATION		R 2 969.64
RESERVOIR		R 2 233.80
WATER PURIFICATION WORKS		R 2 759.40
TOTAL		R 12 351.60
ONE QUOTA = 1000 LITERS		

CONTRIBUTIONS

		WATER QUOTA	SANITATION QUOTA
RESIDENTIAL 1			
SUB ECONOMIC (250 TO 400)		0.25	0.20
LOW (401 TO 700M ²)		0.60	0.50
MIDDLE (701 TO 900 M ²)		0.80	0.65
HIGH (901 TO 2000)		1.00	1.00
GRANNY FLAT		0.50	0.40
RESIDENTIAL 2 AND 3			
LOW (30 TO 60 M ²)		0.60	0.50
MIDDLE (61 TO 200 M ²)		0.80	0.65
HIGH (201 TO 500)		1.00	1.00
RESIDENTIAL 4 (HIGH RISE)		1.00	1.00
LOW (30 TO 50 M ²)		0.45	0.40
MIDDLE (51 TO 80 M ²)		0.60	0.50
HIGH (81 TO 200 M ²)		0.75	0.70
OFFICE /100M²		0.40	0.40
SHOPS/100M²		0.40	0.40
		WATER QUOTA	SANITATION QUOTA
CLINIC/BED		0.25	0.25
RETIREMENT VILLAGE/PERSON			
FRAIL CARE/PERSON		0.25	0.25
BEDSITTER/PERSON		0.25	0.25
UNITS/UNIT		0.50	0.50
HOSTELS/PUPIL		0.15	0.15
CRECHE/PUPIL		0.02	0.02
SCHOOLS/PUPIL		0.02	0.02
HOSPITAL/BED		0.25	0.25
RESTAURANT/SEAT		0.09	0.09
WAREHOUSE/ VEHICLE SHOWROOM(EXCL. OFFICE) /100 M²		0.20	0.20
INDUSTRIAL(EXCL.OFFICE) /100M²		0.40	0.40
CARAVAN PARK/SITE		0.60	0.5
CONFERENCE CENTRE/HALL / PER SEAT		0.09	0.09
GOLF ESTATE /HECTARE		5.00	0.00
SERVICE STATION/WORKSHOP/100M²		0.40	0.40
B&B AND GUESTHOUSE/LODGE/ROOM		0.60	0.50
HOTEL/ROOM		0.60	0.60
CHURCH/RELIGIOUS INSTITUTIONS		1.00	1.00
HALLS AND CLUB HOUSES		1.00	1.00
CAR WASH		7.68	7.68

QUOTA		
	WATER QUOTA	SANITATION QUOTA
RESIDENTIAL 1		
SUB ECONOMIC (250 TO 400)	0.20	0.20
LOW (401 TO 700M ²)	0.5	0.40
MIDDLE (701 TO 900 M ²)	0.7	0.6
HIGH (901 TO 2000)	1.0	1.0
GRANNY FLAT	0.5	0.4
RESIDENTIAL 2 AND 3		
LOW (30 TO 60 M ²)	0.6	0.50
MIDDLE (61 TO 200 M ²)	0.8	0.6
HIGH (201 TO 500)	1.00	1.00
RESIDENTIAL 4 (HIGH RISE)		
LOW (30 TO 50 M ²)	0.4	0.40
MIDDLE (51 TO 80 M ²)	0.6	0.50
HIGH (81 TO 200 M ²)	0.80	0.70
OFFICE /100M²	0.4	0.40
SHOPS/100M²	0.4	0.40
		SANITATION QUOTA
CLINIC/BED	0.2	0.2
RETIREMENT VILLAGE/PERSON		
FRAIL CARE/PERSON	0.2	0.2
BEDSITTER/PERSON	0.2	0.2
UNITS/UNIT	0.5	0.50
HOSTELS/PUPIL	0.16	0.15
CRECHE/PUPIL	0.02	0.02
SCHOOLS/PUPIL	0.02	0.02
HOSPITAL/BED	0.2	0.2
RESTAURANT/SEAT	0.10	0.09
WAREHOUSE(EXCL. OFFICE) /100 M²	0.1	0.10
INDUSTRIAL(EXCL.OFFICE) /100M²	0.3	0.20
CARAVAN PARK/SITE	0.4	0.4
CONFERENCE CENTRE/SEAT	0.10	0.09
GOLF ESTATE /HECTARE	5.35	0.00
SERVICE STATION/WORKSHOP/100M²	0.2	0.2
B&B AND GUESTHOUSE/LODGE/ROOM	0.5	0.4
HOTEL/ROOM	0.5	0.4
CHURCH/RELIGIOUS INSTITUTIONS	1.0	1.00

7.2 QUOTA

Quota can be bought at the rate (tariff) applicable when the development was constructed.

7.3 NUMBER OF BASIC CHARGES

Number of Basic charges shall be based on the actual number of units for each property. The number of basic charges shall be calculated as per the Guidelines for Engineering Services and based on the number of units, unit size and consumption per unit.

8. INDUSTRIAL EFFLUENT CHARGES

- The charges payable by the owner or occupier, as the case may be, of the manufacturing premises for the use of the Council's sewers in respect of the discharge and conveyance therein of trade effluent from the manufacturing premises, including the use of the Council's sewage purification works for purification of the trade effluent, shall be determined in accordance with the provisions of this by-law. Accounts will be rendered as soon as possible after each period of six months ending on 31st December, or 30th June of each year and shall apply to such periods. Where during any such six monthly period there has been a change of ownership or occupancy necessitating an apportionment of the amount due to the Council, the Council will apportion the amount between the parties concerned in a manner proportionate to the quantity of trade effluent discharged during the relevant respective periods of ownership or occupancy. Nothing herein shall be construed as preventing the Council from submitting accounts on a monthly basis should such practice be considered more expedient by the Council.

The General Manager: Water Services may base the trade effluent charge as described in paragraph (p) section (a), on the highest COD of one, or more samples collected from the trade effluent sampling point.

The charge to be levied by the General Manager: Water Services in respect to trade effluent discharged into its sewers from manufacturing premises shall be assessed in accordance with the following formula: -

$$R = A + ((\text{COD}/1000) \times B)$$

WHERE

R is the rate in cents per kilolitre due to the Council.

A is the basic carriage tariff expressed in cents per kilolitre, determined annually in advance by the Council. The value of A is R 6.05 (7.00%)

B is the basic treatment tariff expressed in cents per kilogram of COD, determined annually in advance by the Council. The value of B is R0.57 (7.00%)

COD is the chemical oxygen demand value expressed in milligram of COD per litre of effluent recorded in snap samples of effluent collected as and when deemed fit by the General Manager: Water Services.

The charges payable by the owner or occupier will also include any other charges as may be applicable.

- A copy of the methods of chemical analysis and testing procedures used to determine the COD for the purpose of calculating the charge equation described above shall be kept available by the General Manager: Water Services for inspection by the owner or occupier of any premises concerned. The method of chemical

analysis will in all respects follow the STANDARD METHODS FOR WATER ANALYSES published by the SOUTH AFRICAN BUREAU OF STANDARDS being SABS METHOD 1048 – CHEMICAL OXYGEN DEMAND OF WATER.

- In the absence of any direct measurement, the quality of trade effluent discharged into the Council's sewers from any particular manufacturing premises during any period shall be estimated and determined by the General Manager: Water Services by reference to the quantity of water consumed on such premises during such period. The quantity of water consumed on such premises shall be determined by reference to the Council's water meters in the case of water obtained from the Council and by meter or by calculation in the case of water obtained from any other source, including water emerging from material processed on the premises. In determining the quantity of trade effluent so discharged, due allowance shall be made for the quality of water which it is estimated is used for domestic purposes including gardening on such premises or any other purpose not resulting in the discharge of trade effluent and for water lost by reaction or evaporation during any processes on the manufacturing premises concerned and for water present in the final products or materials produced on such premises and, generally, the District Municipality shall take into consideration such matters as will enable it to estimate for the purpose of the by-laws the quantity of trade effluent discharged as aforesaid during any given period.

Industries linked to water borne sewer will be liable for the sanitation basic fee and charges per kilolitre as per charges set, over and above the industrial effluent charge, based on the calculated quota.

9. **ACCEPTANCE OF SEWAGE DELIVERED BY ROAD HAULAGE**

Description	2017/2018	2016/2017
	R	R
The charges for any sewage delivered for disposal to any Council facilities shall be assessed by an authorised officer in accordance with the prescribed tariff of charges:		
(a) Disposal of trade effluent from within the Council's area of jurisdiction delivered by private road tanker to Council facilities		
Per tanker load	R630.01	R588.79
(b) Disposal of trade effluent from without the Council's area of jurisdiction delivered by private road tanker to Council facilities		
Per tanker load	R1,130.31	R1,056.36
(c) Disposal of domestic effluent from within or without the Council's area of jurisdiction to Council facilities		
(i) delivered by private road tanker per kilolitre, measured as the nominal carrying capacity, of the tanker	R188.38	R176.06
(ii) delivered by private road haulage in drums per drum of capacity not exceeding 150 litres	R37.67	R35.21

10. **TARIFFS FOR INSTALLATION OF BASE TELECOMMUNICATION STATIONS**

The MONTHLY tariffs for the new installation and the renewal of existing leases of base telecommunication stations on municipal property shall be as per the below mentioned tariff of charges:

- R6,039.33 (R5,644.23) on property with an existing structure.
Tower erected on Municipal land (a Greenfield site)
- R3,019.66 (R2,822.11) for Co-Locators (Sub-leases)

Billed to the main lessee, applicable to new leases signed or renewed after 1 July 2012

-R1,207.87 (R1,128.85) for antennae's with no base stations

Dependant on technical criteria, frequency emissions and site size being no greater than 5m2

It should be noted that for a single installation, a lease agreement will be entered into with one service provider. In the event of co-use of telecommunications masts by cellular network providers, the primary service provider with whom the municipality entered into lease agreement will be responsible for the account.

11. OFFENCES AND PENALTIES

Any offences and/or penalties raised by the municipality shall be affected as per Part 7 (General Provisions), clause 34, of the Gazetted Water Services Bylaws, as adopted in terms of Section 21 of the Water Services Act, Act No. 108 of 1997.

12. SPORTFIELDS AND MULTI – COURTS TARIFFS 2016/2017

The municipal has leased out the Ugu Sports and Leisure Centre to Cyassound Holdings for a period of 5 years ending 28 February 2020. The tariffs for the use of the facility will be determined by the lessor until the expiry of the lease contract.

13. PROMOTION OF ACCESS TO INFORMATION ACT (PAIA) SCHEDULE OF FEES

(Act No. 2 of 2000)[Regulation 6]

A request for access to a record, as contemplated in Section 18(1) of the Act, must be made in the form of Form A – PAIA REQUEST FOR ACCESS TO RECORD.

1. FEE STRUCTURE

Fees chargeable for the records of Ugu District Municipality;

A.	REPRODUCTION FEES	
1.	For every photocopy of an A4 Size page or part thereof	R0.88
2.	For every printed copy of an A4 size page or part thereof held on a computer in electronic or machine readable form	R0.62
3.	For a copy in a computer readable form on;	
3.1	Compact Disc (CD)	R57.93
3.2	Digital Video Disk (DVD)	R57.93
4.		
4.1	For transcription of visual images for an A4 size page or part thereof	R31.86
4.2	For a copy of visual images	R91.70
5.		
5.1	For a transcription of an audio record, for an A4 size page or part thereof	R18.33
5.2	For a copy of an audio record	R24.62
6.	The request fee payable by every requested, other than a personal requestor referred to in	R50.66

	section 22(1) of the Act	
B.	ACCESS FEES	
	Access fees payable by a requester referred to in section 22(7) of the Act, unless exempted under section 22(8) of the Act	
1.	For every photocopy of an A4 Size page or part thereof	R0.88
2.	For every printed copy of an A4 size page or part thereof held on a computer in electronic or machine readable form	R0.62
3.	For a copy in a computer readable form on;	
3.1	Compact Disc (CD)	R57.93
3.2	Digital Video Disk (DVD)	R57.93
4.		
4.1	For transcription of visual images for an A4 size page or part thereof	R31.86
4.2	For a copy of visual images	R86.87
5.		
5.1	For a transcription of an audio record, for an A4 size page or part thereof	R17.38
5.2	For a copy of an audio record	R24.62
6.	To search for the record for disclosure, excluding the first hour, reasonably required time for such a search.	R21.71 per hour or part of an hour

COUNCIL'S TARIFF OF CHARGES FOR ATMOSPHERIC EMISSIONS LICENCE PROCESSING

- (a) All activities listed in terms of section 21 of the NEM-Air Quality Management Act (Act no. 39 of 2004) and Section 6 of Ugu District Municipality Air Quality Management by-law will be subject to the payment of an AEL processing fee.
- (b) The cost shall be calculated by using the AEL processing fee calculator which is prescribed by Ugu District Municipality with due consideration given to a myriad of factors.
- (c) The fee shall be implemented on all AEL applications submitted to the Air Quality Officer (AQO) for scrutiny and approval.

AEL FEE BANDS

APPLICATION BANDS	BAND SIZE		FEE SCHEDULE (R)/YEAR
Band 1	0	13	4,808.90
Band 2	14	21	12,022.25
Band 3	22	40	19,235.60
Band 4	41	60	26,448.96
Band 5	61	80	72,133.52
Band 6	81	100	96,178.02

SERVICE DELIVERY AGREEMENT

BETWEEN

**UGU SOUTH COAST TOURISM (PTY) LTD
(2009/003419/07)**

AND

UGU DISTRICT MUNICIPALITY

(together herein referred to as "the Parties")

**And established in terms of Section 93C of Act
32 of 2000 (the Municipal Systems Act)**

Handwritten signatures and initials:
A.S.M.
A.S.M.
A.S.M.

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PREAMBLE

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H.M. A.S.M. M.D.

PREAMBLE

WHEREAS the District Municipality is a Municipality as defined in terms of the Local Government Municipal Systems Act 32 of 2000 and the Municipal Structures Act 117 of 1998;

AND WHEREAS the parties wish to give effect to and recognition of the Principles enshrined in the Constitution of the Republic of South Africa of 1996, and with specific reference to Section 156 of such Constitution and the parties are obliged to take cognizance of Section 93C and 93D of the Systems Act.

AND WHEREAS the parties are also cognizant of and acknowledge that they are properly bound by the Municipal Finance Management Act 56 of 2003, and more specifically Section 87 of such Act as well as rules pertaining to National Treasury Funding.

AND WHEREAS Section 38 of the Kwa Zulu Natal Tourism Act of 1996 has application to the relationships between the parties.

AND WHEREAS Ugu is, inter alia, empowered, and wishes to in terms of the Municipal Structures Act and Systems Act conclude such an Agreement, and to create a uniform, co-ordinated and measure Tourism Structure by dissolving pre-existing Tourism structures and bringing them within the knowledge and scope of Local and District Municipalities.

AND WHEREAS Tourism as a properly created Municipal Entity as defined herein has the capacity, experience and know-how to implement its statutory functions.

A.S.M.
A.M. L.M. J.D.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:-**DEFINITIONS**

The definitions as contained in all Acts mentioned in the text of this Agreement and Regulations are applicable to this contract. In addition, the following definitions are applicable:-

- 1.1 "Constituent member" or "Member" shall mean the Ugu Regional Tourism and Community Tourism organisations as provided for in Ugu Tourism Constitution or a member of them.
- 1.2 "Contract" means this Service Level Agreement of which the only two parties, shall be Ugu and South Coast Tourism (Pty) Ltd, and shall, in context, hereinafter be referred to as the "parties".
- 1.3 "Effective date: means the 1st of July 2009
- 1.4 "Integrated Development Plan" or "IDP" shall mean development planning as provided for in terms of the Division of Revenue Act 1 of 2007, the Municipal Structures Act and the Municipal Systems Act.
- 1.5 "Parent Municipality" means the Ugu District Municipality;
- 1.6 "Person" includes reference to a juristic person.
- 1.7 "Preferential Procurement" means the process provided for in the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of

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A.S.M.
L.M.
J.H.D.

2000) and read with and shall comply fully with the Ugu Supply Chain Management Policy.

1.8 "South Coast Tourism" means Ugu South Coast Tourism (Pty) Ltd, company registration number 2009 / 003419 / 07 (a company incorporated in terms of the Companies Act, 1973) and represented herein by the Chief Executive Officer; he being duly authorized, as Chief Executive Officer.

1.9 "South Coast Tourism's address" means:

1.9.1 For postal purposes: PO Box 570, Port Shepstone, 4240.

1.9.2 For communications by telephone and facsimile:

Telephone (039) 682 7944 and Fax (039) 682 1034

1.9.3 For other purposes: 16 Bisset Street, Port Shepstone, 4240;

1.10 "a sponsorship" or "a sponsor" shall mean the support of an event, activity, person, organisation financially or through the provision of products or services. A sponsor is the individual or group that provides the support, similar to a benefactor, as it applies to the Municipal Entity.

1.11 "The Articles" means the Articles of the Company and any and every other Statute or subordinate legislation from time in force concerning companies and necessarily affecting the Company.

1.12 "The CEO" means the Chief Executive Officer in the company;

ANG. 11/11/10
A.S.M.

1.13 "the Companies Act" means the Act 61 of 1973, as amended or any Act which replaces it, and any and every other statute or subordinate legislation from time to time in force concerning Companies generally and necessarily affecting the company, South Coast Tourism (Pty) Ltd.

1.14 "The Constitution" shall mean the Constitution of Ugu South Coast Tourism (Pty) Ltd.

1.15 "the Company" or "the Entity" shall mean South Coast Tourism (Pty) Ltd.

1.16 "the Municipality" or "Ugu" means the Ugu District Municipality, established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), represented herein by the Municipal Manager thereof, he being duly authorized.

1.17 "The Municipal Finance Management Act" means Local Government Municipal Finance Management Act No. 56 of 2003;

1.18 "The Municipality's address" means:

1.18.1 PO Box 33, Port Shepstone, 4240

1.18.2 For communications by
Facsimile: 039 682 1720
Telephone 039 688 5700

1.18.3 For other purposes: Ugu Municipal Offices,
28 Connor Street,
Port Shepstone

A.M.S.
L.M.
A.S.M.

1.19 "The Service" or "Service Level Agreement" shall mean the measurable and expected outcomes of Tourism as they pertain to:

- 1.19.1 Feasibility;
- 1.19.2 The quality of ongoing service delivery to the tourist industry and community; in line with the objectives as set out in the IDP of the Parent Municipality.
- 1.19.3 Feedback from the tourist industry and community; and
- 1.19.4 Compliance with the shareholders directives; and
- 1.19.5 Compliance with the terms and conditions of this Agreement by all affected parties.
- 1.19.6 Compliance with the Articles and Memorandum of Association of the Entity.

1.20 "The Systems Act" or "the Act" means the Local Government Municipal Systems Act 32 of 2000;

1.21 "Tourism" or references to "Tourism" shall specifically include the provisions of Section 38 of the Kwa Zulu Natal Tourism Act of 1996 and such references shall also refer to the Constitution of the Entity.

1.2.1 "Service Level Agreement" shall mean this Service Delivery Agreement, and "Service Delivery Agreement" shall have a corresponding meaning.

WHEREAS:-

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A.S.M. 15
L.M.

It was resolved at a meeting of the Ugu District Municipality on 6 March 2007 to establish a single Tourism Body in accordance with all Statutory Prescripts. This has been done.

NOW THEREFORE

1. RECORDAL OF INSTITUTIONAL HISTORY

1.1.1 The Municipality has, over a period of time, entered into various Agreements with the Hibiscus Coast Tourism Association, Umdoni Coast & Country Tourism Association, Ezinqoleni Tourism and Ugu Tourism Association (UTMA); and these bodies have been incorporated in to South Coast Tourism and are thereafter known as Ugu - South Coast Tourism (Pty) Ltd (UguSCT).

1.1.2.1 The parties recognize that Tourism is a central activity and a source of revenue and a basis for economic empowerment of all people in the Ugu District, by virtue of the District's abundant natural resources, its ancient and complex historic ethnic cultures, its vibrant tribal diversity and its unique demographics; supported by its existing tourism infrastructure.

1.1.2.2 The parties acknowledge and appreciate the historical events leading up to the formation of the entity, which historical events are captured in the Constitution.

1.1.2.3 The parties are enjoined by signature of this Agreement to give effect to the spirit as well as the content of this Agreement.

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- 1.2 The parties have agreed to maintain continuity of the relationship between the Municipality and these various bodies or their successors for the purpose of facilitating tourism within the Ugu District Municipality area, and a Constitution has been created to give effect to this purpose, and to recognize this appointment of the Municipal Managers of Local Municipalities as Directors of the Company, and the integral and fundamental role of such Municipal Managers in representing the ongoing interests of such local Municipalities.
- 1.3 A principal object of the parties in entering into this Agreement is to achieve tourism growth for the Ugu District Municipality area by marketing it as a premier tourist destination and to develop tourism infrastructure products to be evolved within previously disadvantaged and under developed areas within the Ugu District Municipality as may be feasible, with particular emphasis on the hinterland.
- 1.4 Secondary aims will be provision of quality visitor service centers, to update membership services and responsible tourism advice, and monitoring of local Tourism operations and establishments for compliance with provincial, district and local policies and administration.
- 1.5 Ugu and the National Treasury of the Republic of South Africa requires a Service Level Agreement in terms of which its measurability, deliverability and its plans can be objectively quantified.

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A.S.M. 2

2. FUNCTION OF UGU SOUTH COAST TOURISM

- 1.1 The main business which the Company is to carry on; is the promotion and implementation of tourism within the Parent Municipality's area of jurisdiction, predicated on the Kwa Zulu Natal Tourism Act as needs be, and based on the Parent Municipality's Integrated Development Plans and Policies.
- 1.2 To engage in and facilitate an ongoing community consultation process as envisaged by Section 80(2) of the Systems Act and Section 38 of the Tourism Act during the establishment of this Agreement, as well as with the constituent members as defined herein.
2. The main object of Tourism shall be to contribute to the economic, social and environmental development of the area of jurisdiction of the Parent Municipality through Tourism as contemplated inter alia in Section 8 read with Section 86E of the Local Government: Municipal Systems Act.
3. The specific ancillary objects, if any, referred to in Section 33(1) of the Systems Act, form an integral part of the main objective of the company.

3. POWERS OF UGU SOUTH COAST TOURISM

1. Schedule 2 of the Companies Act of 1973 shall not apply to the Company.

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A.M.S. L.M. A.S.M. H.S.

2. The Company is a private company established in terms of Section 86C of the Systems Act and accordingly is restricted to act as a municipal entity in terms of:
 - 2.1 Chapter 8A of the Systems Act; and
 - 2.2 Chapter 10 and 11 and Section 116 of the Local Government Municipal Finance Management Act No. 56 of 2003; and
 - 2.3 Section 41 of the Systems Act; and
 - 2.4 Section 38 of the Kwa Zulu Natal Tourism Act 113 of 1996; and
 - 2.5 Its Articles and Memorandum of Association.
3. Section 86D(2) of the Systems Act shall apply namely that Tourism must restrict its activities to the purpose for which it is used by its Parent Municipality in terms of Section 86E(1)(a); and Tourism shall have no competence to perform any activity which falls outside the functions and powers of its Parent Municipality contemplated by Chapter 8 of the Act.
4. The company has incorporated into Ugu South Coast Tourism the following three (3) community tourism associations, namely:
 - 4.1 Hibiscus Coast Tourism Association;
 - 4.2 Umdoni Coast & Country Tourism Association; and
 - 4.3 Izingolweni Tourism Association;into one Municipal entity, and

A.M.S.

L.M.

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5. Ugu South Coast Tourism shall register as a Community Tourism Association with the accredited Government approved Tourism Bodies, and as provided in the Tourism Act.

4. RESTRICTIONS ON UGU SOUTH COAST TOURISM

1. All the income, expenditure, sponsorship and property of Tourism shall be applied solely towards the promotion of its main objective;
2. No portion of Tourism's income, expenditure and property shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to Ugu or directors of the Company, or its Parent Municipality; provided that nothing herein contained shall prevent the payment in good faith or reasonable remuneration to an officer or servant of the Company or to any member in return for any services actually rendered to the company, nor shall Tourism be precluded from acquiring bona-fide sponsors to improve and further its objects and functions, provided that this is done in line with a sponsorship policy, which policy shall be approved by the Parent Municipality, within a reasonable time period after signature hereof
3. The winding-up of the company, shall be in terms of the stipulations contained in the Local Government: Municipal Systems Act, The Local Government: Municipal Finance Management Act and other relevant Acts.

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4. The company shall monitor and annually review its annual budget process as set out in Section 87 of the Municipal Finance Management Act.
5. Ownership of, equity interest or shares or any alienation or transfer of that share in the Company may only be alienated or disposed of in terms of Section 86G of the Systems Act and, in the following manner:
 - (a) to a wholly owned private company, subject to the Municipal Finance Management Act; or
 - (b)(i) subject to Section 14 of the Municipal Finance Management Act; and
 - (ii) if that transfer or disposal would not result in an infringement of Section 86C(2) by another Municipality which holds an interest in the company.
6. To only provide goods and services only as provided for in respect of the preferential Procurement Policy Framework Act of 2000 (Act 5 of 2000).
7. To acquire goods and services only as provided for in this Service Level Agreement.

5. **ACTIVITIES OF UGU SOUTH COAST TOURISM**

1. Schedule 2 of the Companies Act shall not apply to the Company.
2. Section 86D (2) of the Systems Act shall apply and provides that:

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A private company which is a municipal entity –

- (a) must restrict its activities to the purpose for which it is used by its parent municipality in terms of Section 86H(1)(a);
- (b) and has no competence to perform any activity which falls outside the functions and powers of its parent municipality contemplated by Chapter 8.

3. Section 120 read with Section 104 of the Municipal Finance Management Act shall apply.

4. To render an objectively quantifiable and measureable service to the Parent Municipality.

6. **OWNERSHIP OF COMPANY**

(a) The Company is established and fully owned by the Parent Municipality in terms of Section 86C of the Systems Act, and as such the Parent Municipality holds all the shares therein.

(b) No other party shall be a party to this Agreement, or claim enforceable rights, or obligations from the parties arising from this Agreement, or resulting from the Constitution of South Coast Tourism (Pty) Ltd.

(c) No District or Area Tourism Committee shall have any enforceable rights in respect of the Company.

A.M.J. *A.S.M.* *L.M.* *1/11*

7. DUTIES OF PARENT MUNICIPALITY

Sections 93A and 93B of the Systems Act stipulates the following duties of the Parent Municipality with respect to the Company:

1 The parent municipality must:

- (a) exercise any shareholder, statutory, contractual or other rights and powers it may have in respect of the municipal entity to ensure that –
 - (i) both the municipality and the municipal entity comply with the Systems Act, the Municipal Finance Management Act and any other applicable legislation; and
 - (ii) the municipal entity is managed responsibly and transparently, and meets its statutory, contractual and other obligations as well as the provisions of its own Constitution;
- (b) allow the board of directors and chief executive officer of the municipal entity to fulfill their responsibilities; and
- (c) establish and maintain clear channels of communication between the municipality and the municipal entity.

2 The Parent Municipality having sole control over the Company must:

- (a) ensure that annual performance objectives and indicators for the municipal entity are established by Agreement with the

A.M.S.
A.S.M.
L.M.

municipal entity and included in the municipal entity's multi-year business plan in accordance with Section 87(5)(d) of the Municipal Finance Management Act;

- (b) must monitor and annually review, as part of the municipal entity's annual budget process as set out in Section 87 of the Municipal Finance Management Act, the performance of the municipal entity against the agreed performance objectives and indicators; and
- (c) may liquidate and disestablish the municipal entity –
 - (i) following an annual performance review, if the performance of the municipal entity is unsatisfactory or due to non-compliance in terms of Section 116(1)(b)(ii) of the MFMA;
 - (ii) in the event of financial difficulties if the municipality does not impose a financial recovery plan in terms of the MFMA (Municipal Finance Management Act) and the municipal entity continues to experience serious or persistent financial problems; or
 - (iii) if the municipality has terminated the services delivery Agreement or other Agreement it had with the municipal entity.

(d) If the company is liquidated and/or disestablished: -

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A. S. M.
L. M.
/11

3.1 Audited financial statements, within 60 days of South Coast Tourism year end.

3.2 Three annual finance progress reports.

3.3 A quarterly summary activity report detailing:

3.3.1 Information and Provision.

3.3.2 Marketing

3.3.3 Finances.

3.3.4 Development.

Cognizance shall also be taken of:

1. Political
2. Environmental;
3. Economic;
4. Social;
5. Logistical;
6. Quality

consideration of Tourism's role.

4. Board minutes from time to time shall be forwarded to the Municipal Manager.
5. Annual board review of company performance to be forwarded to the municipal manager within 90 days of its year-end. This to include quantifiable and detailed evaluations of the outcome of the chief executive officers key performance areas.
6. Marketing Action Plan
7. Development Action Plan

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24. DOMICILIUM AND NOTICES

The parties select their addresses as hereinbefore stated as their respective *domicilia citandi et executandi* for all purposes arising out of this Agreement or the cancellation thereof.

Any notice sent to the *domicilia citandi et executandi* of a party by previous registered post or delivered there by hand shall be deemed to have been received on the fifth business day after posting or on the date of delivery, as the case may be.

Any party may, by written notice to the other, change his *domicilia citandi et executandi* to another physical address (not being a post office box number or poste restante) within the Republic of South Africa and such change shall become effective seven days after the giving of such notice.

All notices which may or may have to be given in terms of this Agreement shall be in writing.

25. JUDICIAL PROCEEDINGS AND DISPUTE RESOLUTION

1. The parties acknowledge that with reference to interpretation of powers and obligations of the parties, and in the event of a dispute between the parties that:
 - 1.1 This Service Level Agreement shall have application and;
 - 1.2 The Articles and Memorandum of the Company shall have application.

A.M.S.

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2. Should a dispute arise at any level between the parties, which cannot be resolved by intervention, of the CEO, the Municipal Manager, and/or the directors of the Entity, then the parties acknowledge that Chapter 4 of The Intergovernmental Relations Framework Act 113 of 1995 shall have application (Act 113 of 2005).
3. In terms of Section 41 read with 42(2) of Act 113 of 2005,
 - 3.1. Any dispute which may arise between the parties relating to the interpretation, effect or termination of this Agreement or to their rights or obligations in terms hereof shall be submitted for facilitation if any party to the dispute so requires.
 - 3.2. The Facilitator shall then make his/her finding available to the relevant MEC in terms of Section 44 of Act 113 of 2005.
4. The Arbitrator shall be a practising or retired attorney or Senior Government Official who have had not less than 10 (ten) years experience. He/she shall be appointed by Agreement between the parties to the dispute, and failing such Agreement, within 7 (seven) days after the date upon which the arbitration is demanded, by the relevant MEC in Kwa Zulu Natal, or his nominee.

26. NON VARIATION

This Agreement shall constitute the entire Agreement between the parties, as to the regulation of the Municipal Entity, and no addition to or variation, consensual cancellation or novation of this Service Level Agreement and no waiver of any right arising from this Agreement or its breach or

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termination shall be of any force or effect unless reduced to writing and signed by all the parties or their duly authorized representatives.

27 INTERPRETATION

- 1.1 Headings of clauses shall be deemed to have been included for purposes of convenience only and shall not affect the interpretation of this Agreement.
- 1.2 Unless inconsistent with the context, words relating to any gender shall include the other genders, words relating to the singular shall include the plural and vice versa and words relating to natural persons shall include associations of persons having corporate status by statute or common law.
- 1.3 In the event that any of the provisions of this Agreement or its collateral Constitution, are found to be invalid, unlawful or unenforceable, such terms shall be severable from the remaining terms which shall continue to be valid and enforceable.
- 1.4 This Agreement incorporates the Annexures and Constitution, which Annexures shall have the same force and effect as if set out in the body of this Agreement. The various documents forming part of this Agreement are to be taken as mutually explanatory. In the event of any conflict or inconsistency the provisions contained in the main body of the Agreement will prevail.
- 1.5 If any provision in a definition is a substantive provision conferring any right or imposing any obligation on any party, then

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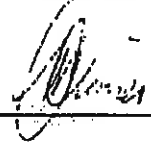
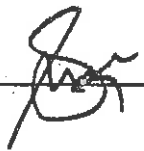
notwithstanding that such provision is only in this interpretation clause or in a definition elsewhere in this Agreement, effect shall be given to it as a substantive provision of this Agreement.

- 1.6 When any number of days is prescribed in this Agreement, the same shall be reckoned exclusively of the first and inclusively of the last day unless that last day falls on a Saturday, Sunday or proclaimed public holiday in the Republic of South Africa, in which event the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 1.7 Any reference to an enactment is to that enactment as at the date of signature hereof and as amended or re-enacted from time to time.
- 1.8 If any provision in this Agreement is in conflict or inconsistent with any law, the invalidity of any such provision shall not affect the validity of the remainder of the provision hereof.
- 1.9 Where figures are referred to in words and in numerals, if there is any conflict between the two, the words shall prevail.

THUS DONE and SIGNED by UGU DISTRICT MUNICIPALITY at Port
Shepstone on this 26th day of April 2010.


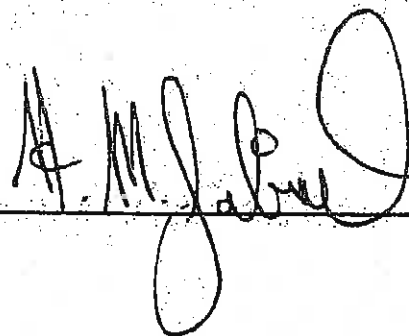

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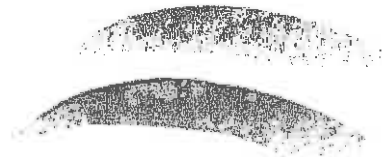
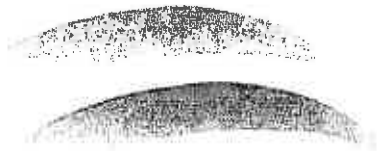
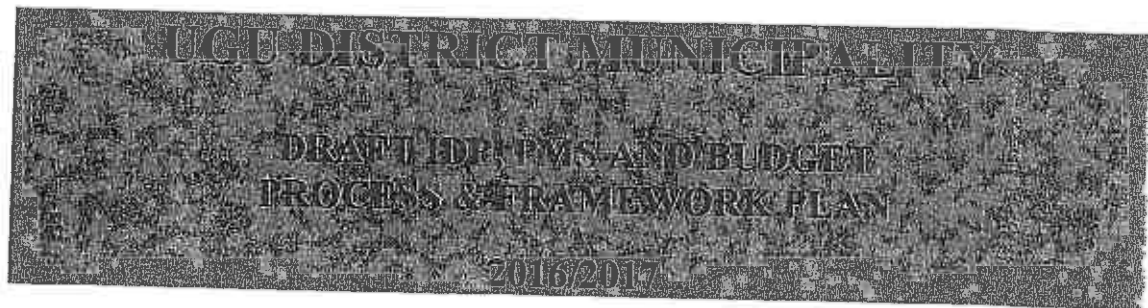
AS WITNESSES:

1.  _____2.  _____
L. MAHLAKA
MUNICIPAL MANAGER
Duly Authorised

THUS DONE and SIGNED by SOUTH COAST TOURISM at Fort
Shepstone on this 17 day of May 2010.

AS WITNESSES:

1.  _____2.  _____
MICHAEL BERTRAM
CHIEF EXECUTIVE OFFICER -
SOUTH COAST TOURISM
Duly Authorised



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GLOSSARY

AG	Auditor General
AIDS	Acquired Immune Deficiency Syndrome
ART	Antiretroviral therapy
ARV	Antiretroviral
BBBEE	Broad Based Black economic Empowerment
CDWs	Community Development Workers
DBSA	Development Bank of Southern Africa
DAEA	Department of Agriculture and Environmental Affairs
DEAT	Department of Environmental Affairs and Tourism
DFA	Development Facilitation Act
CoGTA	Department of Cooperative Government and Traditional Affairs
DM	District Municipality
DoHS	Department of Human Settlement
DWAF	Department of Water Affairs & Forestry
EIA	Environmental Impact Assessment
EKZNW	Ezemvelo Wildlife
EMF	Environmental Management Framework
EMP	Environmental Management Plan
EPWP	Expanded Public Works Programme
FBS	Free Basic Services
FET	Further Education and Training
HH	Households
HIV	Human Immune-deficiency Virus
HR	Human Resources

ICMA	Integrated Coastal Management Act
ICT	Information Communications Technologies
IDP	Integrated Development Plan
IDPRF	Integrated Development Plan Representative Forum
IGR	Inter Governmental Relations
ISRDP	Integrated Sustainable Rural Development Programme
IWMP	integrated Waste Management Plan
LED	Local Economic Development
LGSETA	Local Government SETA
LM	Local Municipality
LRAD	Land Redistribution Programme
LUMS	Land Use Management System
GDS	Growth and Development Strategy
LUMF	Land Use Management Framework
MDG	Millennium Development Goals
MIG	Municipal Improvement Grant
MSIG	Municipal Systems Improvement Grant
MTEF	Medium Term Expenditure Framework
NEMA	National Environmental Management Act
NSDP	National Spatial Development Perspective
PGDS	Provincial Growth and Development Strategy
PMS	Performance Management System
PSEDs	Provincial Spatial Economic Development Strategy
SANRAL	South African National Roads Agency Limited
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEA	Strategic Environmental Assessment
STATSSA	Statistics South Africa
VCT	Voluntary Counselling and Testing

GLOSSARY OF LEGISLATIVE ENACTMENTS

The Constitution	Republic of South Africa's Constitution, Act 108 of 1996
The Systems Act	Municipal Systems Act, No 32 of 2000
The Structures Act	Municipal Structures Act, No 117 of 1998
DFA	Development Facilitation Act, No 67 of 1995
MFMA	Municipal Finance Management Act, No 56 of 2003

SECTION A FRAMEWORK PLAN

1. Introduction and Background

An IDP is one of the key tools for Local Government to achieve its developmental role and seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative, systematic and strategic manner. The Ugu District Municipality is in a process of developing a comprehensive 5 year Integrated Development Plan (IDP) in terms of Chapter 5 of the Municipal Systems Act, 2000.

1.1. Legislative Requirement

In terms of Chapter 5, Section 34 of the Municipal Systems Act, 2000 it requires that all municipalities to annually review and amend its IDP in accordance with an assessment of its performance measurements, Section 41 of the Act requests the inclusion in to the extent that changing circumstances to demand. Section 26 of the Act also describes the core components of integrated development plans. Section 28 stipulates that the Municipal Council must adopt a process to guide the planning, drafting, adoption and review of its IDP. The Municipal Finance Management Act, No.56 of 2003 (MFMA), Section 21 (1) (b) prescribes that the Mayor must table in the Municipal Council a time schedule outlining the key deadlines for the preparation, tabling and approval of the annual budget, annual review of the IDP as well as the budget related policies and related consultative processes, approval of the annual budget, annual review of the IDP as well as the budget related policies and related consultative processes.

The Process Plan of the District and its Local Municipalities need to be prepared in line with this IDP Review Framework Plan as agreed to by all the Municipalities in the District. The IDP Process Plan provides guidance with respect to the programme of action that has to be followed during the IDP development process. The purpose of this process plan is to identify and detail the elements identified in the Framework Plan and set out the specific time frames in which all activities should be achieved.

Ugu District Municipality (DC 21) has six category B municipalities under its jurisdiction. The six local municipalities are:

- KZN 211 Vulamehlo
- KZN 212 Umdoni
- KZN 213 Umzumbe
- KZN 214 Umuziwabantu
- KZN 215 Ezinqoleni
- KZN 216 Hibiscus Coast.

The Framework Plan and Process Plan are two distinct documents which talk to each other.

1.2. What is a District Framework Plan?

The objective of a Framework Plan is to ensure that the processes of both the District and Local Municipalities IDP development and reviews are mutually linked and do inform each other. The Framework Plan is to be used by all municipalities in the district as a basis for drafting their process plans; the framework plan has to be agreed by all local municipalities. The Framework Plan binds the District and Local Municipalities.

The Framework Plan specifies the roles of different role players in the IDP process and determines procedures for coordination, consultation and alignment between the district and the local municipalities. The Framework Plan guides each municipality in preparing its Process Plan.

1.3. Underlying Approach to the Framework Plan

The Framework Plan as stipulated in Section 27 (2) of the Municipal Systems Act of 2000 identifies the following:

- Identify plans and planning requirements that bind the District and Local Municipalities in terms of national and provincial legislation.
- Identify matters that require alignment between the District and Local Municipalities.
- Specify the principles to be applied and coordinate the approach to be adopted in respect of the matters identified.
- Determine procedures for consultation between the municipalities during the process of drafting their respective IDPs and to effect essential amendments to the framework.

1.4. What is the Process Plan?

The Process Plan fulfils the function of a "business plan", it therefore details and sets out timeframes to the processes that will be followed during the IDP development stages ensuring that all aspects are covered on time for adoption. The Process Plan must also consider and include amongst others what has been set out in the Framework Plan, the MEC comments, Council priorities, Draft IDP Assessments and Self Assessments, community input etc.

In terms of Section 34 of the MSA:

A municipal council-

- (a) must review its integrated development plan-
 - (i) annually in accordance with an assessment of its performance measurements in terms of section 4i; and
 - (ii) to the extent that changing circumstances so demand; and
- (b) may amend its IDP in accordance with a prescribed process

In order to ensure effective IDP development during this new 5 year plan, the municipality must prepare and adopt an IDP Process Plan which must be reviewed annually. The preparation of a Process Plan for the annual review is referred to in chapter 5, Section 28 of the MSA as follows:

Adoption of a process-

- (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting and *adoption and review of its integrated development plan.*

In all the Process Plan must indicate what has to happen, when, by whom, with whom and where, and it should include cost estimates.

1.5. Alignment of Government Policies and Plans

Alignment of government policies and plans is crucial in strategic planning. Therefore the relevant binding and non-binding national and provincial policies including, programmes and strategies need to be considered in the municipal development planning process and interventions. The key mandates relevant to the municipal context in co-operative governance will be considered and addressed. These includes amongst others, Provincial Growth and Development Strategy, the New Growth Path, the MTSF as stipulated below.

2. Institutional Arrangements for the IDP

This institutional arrangement is set out to ensure the following:

- Institutionalization of the participation process
- Effective management in the drafting of objectives and
- To give affected parties access to contribute to the decision-making process.

Organizational structure of the Ugu District Municipality IDP development process is illustrated in Figure 1.

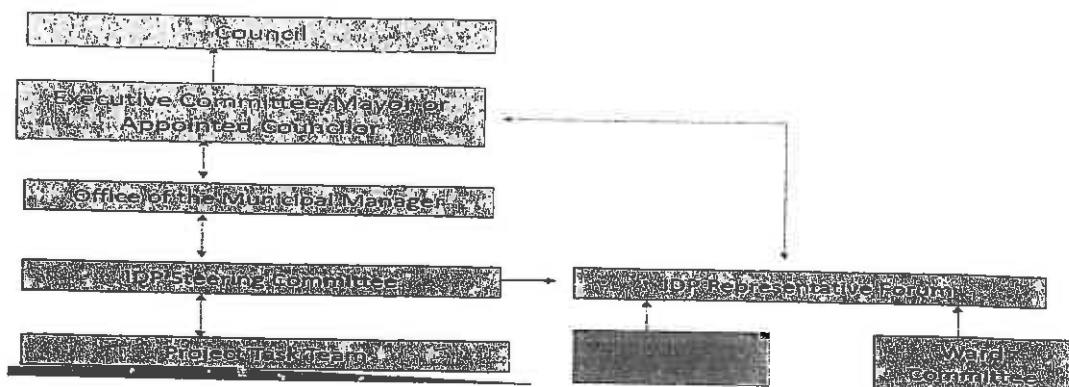


Fig 1: Organisational Arrangements

2.1. Council

The Council is the political decision-making body of the municipality and with regard to the 2016/17 IDP review will:

- Consider comments made in the 2015/16 IDP Review Process and adopts a new Framework / Process Plan (FP / PP);
- Ensures the consideration of the national and provincial budgeting processes as well as inform the municipal budgeting process;
- Adopts the final IDP or IDP Review by the end of June annually; and
- Approves Sector Plans upon their completion

The Council follows the following critical generic dates annually:

- Finalisation & adoption of FP's and or PP's between **July and Sept**;
- Submission of draft IDP & budget to COGTA & Provincial Treasury in **March**;
- Finalisation and adopts IDP / IDP Review in June.

2.2. EXCO

- Responsible for overseeing the IDP Review process;
- Political responsibility and accountability regarding the IDP Review process.

2.3. Mayor

- Responsible for overseeing the IDP Review process, tabling and approval of the IDP process;
- Political responsibility and accountability regarding the IDP Review process.

2.4. Office of the Municipal Manager

The Municipal Manager or IDP Manager on his behalf is the responsible person for championing the Integrated Development Planning process.

IDP Manager falls under the office of the Municipal Manager and:

- Chair IDP Steering Committee meetings;
- Prepare FP and/or PP;
- Are responsible for management and co-ordination of IDP process;
- Respond to comments on the IDP;
- Avails documents to inform the IDP process;
- Promote involvement of all stakeholders; and
- Adjust the IDP according to the MEC's proposals.

2.5. IDP STEERING COMMITTEE

The Ugu District Municipality took a decision that the Management Committee and extended Management Committee will fulfill the role of IDP Steering Committee.

The composition of the IDP Technical Committee will have to take the manageability of a working committee into consideration and should preferably be chaired by the accountable or responsible official for IDP (Municipal Manager or IDP Manager).

2.5.1. Terms of Reference for the IDP Steering Committee

The technical committee will be an internal committee made up of the full management component of the municipality. It also serves to improve the participation of internal staff members in the IDP process and should result in better understanding and buy-in in the process. The committee will be responsible for, amongst other things, to;

- Consider all work and documentation that needs to be submitted to the IDP Steering Committee;
- Ensure the validity and technical correctness of the information presented to the other important IDP stakeholders; and
- Ensure the integration of the IDP policies, objectives, strategies and projects into the daily functioning and planning of the municipality.

2.5.2. Schedule of Steering Committee Meetings

The meetings of the IDP Steering Committee will sit as per the schedule of MANCO and extended MANCO as and when IDP issues needs to be addressed.

2.6. IDP Representative Forum

The IDP Representative Forum (IDP Rep Forum) is constituted as part of the preparation phase of the IDP and continues its functions throughout the annual IDP Review process. The proposed composition of the IDP Rep Forum is as follows:

- Councillors
- Traditional leaders
- Ward Committee Chairpersons
- Senior municipal officials
- Stakeholder representatives of organised groups
- NGO's
- Advocates of unorganised groups
- Resource persons
- Other community representatives

- National and Provincial Departments regional representatives
- Parastatal organisations

2.6.1. Terms of Reference for the IDP Representative Forum

The summarised terms of reference for the IDP Representative Forum could be based on the composition of the constituency's interests in the IDP process, and is proposed to be as follows:

- Represent the interest of the municipality's constituency in the IDP process
- Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders inclusive of municipal government
- Ensure communication between all the stakeholder representatives inclusive of municipal government
- Monitor the performance of the planning and implementation process

2.6.2. Schedule of IDP RF Meetings

The IDP RF meetings are scheduled to sit bi-monthly as follows

AUGUST	OCTOBER	DECEMBER	FEBRUARY	APRIL	JUNE
21	23	TBC	TBC	TBC	TBC

2.7. Project Task Team

- Acts as support to the IDPRF
- Effective management in the drafting of objectives and
- To give affected parties access to contribute to the decision-making process.
- Ensure vertical and horizontal alignment of programs and projects
- Monitoring and evaluation of programs and projects

2.8. UGU District Development Planning FORUM (UDDPF)

- Provide relevant technical, sector and financial information regarding their municipality;
- Facilitate vertical alignment between DMs and LMs;
- Facilitate horizontal alignment with sector department and public utilities.

2.8.1. Schedule of UDDPF Meetings

The UDDPF meetings are scheduled to sit bi-monthly as follows

2016					
06	02	04	TBC	TBC	TBC

2.9. Development Planning Unit

- Responsible for the compilation on overseeing on the IDP document
- Monitoring and evaluation

3. Roles and Responsibilities

3.1. Role Players

Table 1 & 2 captures the internal and external role players that have been identified to ensure a successful and useful IDP Process within the municipality. Each of these role players will contribute immensely to the success of the 5 year IDP.

3.2. Internal Role-players

- Council and the Executive Committee;
- Mayor;
- IDP Representative Forum;
- IDP Cluster;
- IDP Steering Committee;
- Extended Management Committee;
- Management Committee;
- IDP Manager.

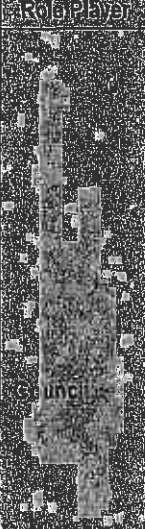


3.3. External Role-players

- National, Provincial Government Departments and Local Municipalities;
- State Owned Enterprises;
- Planning professionals/facilitators;
- Civil Society Organisations;
- Traditional Leadership;
- IDP Clusters.
- Neighbouring District Municipalities

3.4. ROLES AND RESPONSIBILITIES

As with the preparation of the IDP the main roles and responsibilities allocated to each of the internal and external role players are set out in table1 and table 2 respectively. The tables provide an indication of the various roles and responsibilities of the different groupings relating to specifically the IDP Review, PMS and Budgeting processes.

Table 1: Internal Roles and Responsibilities

Role Player	Roles and Responsibilities	Function
	<ul style="list-style-type: none"> ✓ Final decision making. ✓ Approval of the IDP documentation. ✓ Coordination roles for local municipalities. ✓ Ensuring horizontal alignment of the IDP's of the municipalities in the district council area. ✓ Ensuring vertical alignment between the district and local planning. ✓ Facilitation of vertical alignment of IDP's with other spheres of government and sector departments. ✓ Provide events for joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists. ✓ Linking the IDP process with their constituencies ✓ Organising public participation. 	IDP
	<ul style="list-style-type: none"> ✓ Final decision making. ✓ Consider and adopt final report. ✓ Consider and approve the performance agreement of the MM. ✓ Popularising PMS within their constituencies. 	PMS
	<ul style="list-style-type: none"> ✓ Final decision making. ✓ Approve the budget before the start of the financial year. ✓ Council to approve unforeseen and unavoidable expenses. ✓ Approve Service Delivery and Budget Implementation Plan. 	BUDGET
	<ul style="list-style-type: none"> ✓ Responsible for overseeing the process. ✓ Political responsibility and accountability regarding the process. 	IDP
	<ul style="list-style-type: none"> ✓ Establishing the performance agreement for the Municipal Manager in terms of the PMS. ✓ Determine KPA's for MM based on institutional KPI's. ✓ Determine the performance objectives and targets that the MM must meet in relation to the KPA's. ✓ Negotiate the performance objectives and targets that the MM must meet. ✓ Submit draft performance agreement for the MM via EXCO to the Council for consideration and approval. ✓ Conclude and sign performance agreement with the MM on behalf of Council. 	PMS
	<ul style="list-style-type: none"> ✓ Table budget to Council at least 90 days before the start of the financial year. ✓ Table budget timetable to Council. ✓ Report authorization of unforeseeable and unavoidable expenses at Council meeting after having authorized such expenses. ✓ Submit SDBIP to Council, 14 days after approval of budget. ✓ Ensure conclusion of management's performance agreements. ✓ Ensure that the management's performance agreements are made public. ✓ Submit to Council an annual report within 7 months after the end of the financial year. 	BUDGET
	<ul style="list-style-type: none"> ✓ Provide technical/sector expertise through the IDP Steering Committee (Senior officials). 	IDP

Role Player	Roles and Responsibilities	Function
Municipal Officials	<ul style="list-style-type: none"> ✓ Prepare selected Sector Plans. ✓ Provide comments on the IDP document as members of staff. 	
	<ul style="list-style-type: none"> ✓ Setting KPI's for administrative components and service providers. ✓ Prepare progress reports- Top management: Monthly ✓ Reporting on the performance measures. ✓ Verification of interim PMS measurement results. 	PMS
Municipal Manager	<ul style="list-style-type: none"> ✓ Decide on planning process. ✓ Monitor process. ✓ Overall Management and co-ordination. 	IDP
	<ul style="list-style-type: none"> ✓ Submission of annual performance report to Council for approval. ✓ Submission of audit to Council. ✓ Submit report to the Council about mechanisms, systems and processes for auditing the results of performance measurements as part of the internal auditing process. ✓ Establishment of a performance audit committee. ✓ Entering into performance agreements with departmental heads. ✓ Performance monitoring. ✓ Submission of approved annual performance report, together with financial statements, to the Auditor General. ✓ Receive external Auditors report. ✓ Submission of audit report via EXCO to Council within 1 month of receipt. ✓ Within 14 days of adopting the annual report: ✓ Make copies available to the public and the media; ✓ Submit a copy of the report to the MEC for local government in the province; ✓ Submit a copy of the report to the Auditor General and any other institutions prescribed by regulation. 	PMS
	<ul style="list-style-type: none"> ✓ Give notice of bank account to National Treasury (NT) and Auditor General (AG). ✓ Supply NT and AG with list of bank accounts. ✓ Table consolidated report of all withdrawals from bank account to Council within 30 days after the end of each quarter. ✓ Submission of draft budget implementation plan to Mayor within 14 days after approval of the budget. ✓ Perform mid-year performance assessment of the municipality and the submission of the report to the Mayor. ✓ The submission of the annual financial statements to the AG within two months after the end of the Financial Year. ✓ Submission of annual oversight reports to the Provincial Legislature within 7 days after adoption by Council. 	BUDGET
	<ul style="list-style-type: none"> ✓ Ensure that the Process Plan is finalised and adopted by Council; ✓ Day-to-day management of the IDP process. ✓ Ensure continuous and improved participation of role players through IDPRF and other means; ✓ Prepare documentation and submissions; ✓ Co-ordinate the preparation of the Sector Plans and their inclusion into the IDP documentation; ✓ Co-ordinate the inclusion of the Performance Management System (PMS) into the revised IDP; 	IDP

Role Player	Roles and Responsibilities	Function
	✓ Submit the reviewed IDP to the relevant authorities.	
	✓ Day-to-day management of the process	
	✓ Performance management review planning and preparation.	
	✓ Prepare documentation and submissions;	
	✓ Ensure that the Process Plan is adopted by Council;	PMS
	✓ Day-to-day management of the IDP process	
	✓ Interact with Budget Officer for alignment of processes.	BUDGET
	✓ Ensuring IDP process conducted timeously for budgeting purposes.	
	✓ Interact with IDP manager to ensure processes are aligned.	IDP
	✓ Ensuring budget proposals are in line with IDP.	
Manager Budget Office	✓ Ensure that the Process Plan is adopted by Council;	BUDGET
	✓ Day-to-day management of the budgeting process.	
	✓ Make information available to staff members for budgeting purposes.	
	✓ Prepare documentation and submissions;	
	✓ Ensure draft budget is in place for submission to Council.	

Table 2: External Roles and Responsibilities

Role Player	Roles and Responsibilities
Planning Professional	<ul style="list-style-type: none"> ✓ Specialist & targeted input. ✓ Facilitation of planning workshops. ✓ Sector Plans. ✓ Documentation.
Representative Forum/Civil Society	<ul style="list-style-type: none"> ✓ Representing interest and contributing knowledge and ideas. ✓ Identify and priorities community needs. ✓ Provide comments on the IDP document.
Government Departments	<ul style="list-style-type: none"> ✓ Provide data and information. ✓ Budget guidelines. ✓ Alignment of budgets with the IDP. ✓ Provide professional and technical support (sector specialization)
Amakhosi	<ul style="list-style-type: none"> ✓ Provide traditional leadership. ✓ Joint planning. ✓ Makes land available. ✓ Provide data and information.
Communities	<ul style="list-style-type: none"> ✓ Joint planning. ✓ Provide data and information. ✓ Identifies community issues and needs. ✓ Priorities needs. ✓ Monitors the implementation of projects.
Local Municipalities	<ul style="list-style-type: none"> ✓ Joint planning. ✓ Alignment of budgets with the IDP. ✓ Documentation. ✓ Preparation of the Sector Plans. ✓ Communication with civil society.

4. Mechanisms and Procedures for Participation and Alignment

4.1. Functions and Context of Public Participation

Four major functions can be aligned with the public participation process namely:

- Needs orientation;
- Appropriateness of solutions;
- Community ownership; and
- Empowerment.

Like with the preparation of the IDP, the public participation process in the IDP phases has to be institutionalised in order to ensure all residents have an equal right to participate. The public participation process during the IDP development phase is closely linked to the activities of developing the municipal IDP, such as contributing to the municipal issues, objectives, ensuring the appropriateness of municipal strategies and forming part of project development task teams.

The completed performance management system (PMS) for the municipality will contribute to the public participation process, through regular information and consultation workshops and the preparation and audit of performance reports.

The importance of alignment is crucial as part of the 2016 / 2017 IDP Process. Alignment in terms of Spatial Development Frameworks, Land Use Management Systems (LUMS), cross boarder and institutional alignment between the municipality and the various processes ongoing at national and provincial government levels.

4.2. Mechanisms for Participation

Municipalities will confirm the following mechanisms for participation:

4.2.1.IDP Representative Forum (IDP Rep Forum)

This forum will represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organisations into the Rep Forum and ensure their continued participation throughout the process.

4.2.2.Media

Local newspapers will be used to inform the community of the progress of the 2015/2016 IDP development.

4.2.3.Ward Committees

These forums will provide open dialogue between the municipality and the community. The municipality will provide regular support to the committee and will attend meetings per invite.

4.3. Procedures / Process for Participation

4.3.1. Council

The Council will consider, for comments, a draft 2016/2017 IDP document by February 2016. This will ensure inclusion into the national and provincial budgeting processes as well as inform the municipal budgeting process. The final IDP document will be adopted by 31 May 2015 together with the municipal budget. Sector Plans will be approved by Council on their completion.

4.3.2. EXCO

- Responsible for overseeing the IDP process;
- Political responsibility and accountability regarding the IDP process.

4.3.3. MAYOR

- Responsible for overseeing the IDP Review process, tabling and approval of the IDP process;
- Political responsibility and accountability regarding the IDP Review process

4.3.4. IDP Representative Forum

In order to ensure maximum participation in the Rep Forum meetings from members of the public, representatives and relevant government officials, it is recommended that Rep Forum meetings are scheduled as and when required during the key stages of the IDP Process:

- The first Rep Forum meeting will involve a presentation of this Process Plan focusing on identifying areas to be addressed in the IDP Phase.
- Following the Rep Forum, workshops will be held to provide feedback on the IDP Process, acquire input from the Rep Forum members and to ensure participation in all activities such as PMS, LUMS and Budget development of the 2016/2017 IDP Review Process.

4.3.5. IDP Steering Committee

- Provide technical/sector expertise in IDP process;
- Ensure preparation of Sector Plans relating to their functional areas;
- Provide comments on the IDP document;
- Ensure preparation of cross dimensional issues, strategies and plans;
- Identify key needs to meet strategies, objectives for budgeting.

4.3.6.District Planners Forum

- Provide relevant technical, sector and financial information regarding their municipality;
- Facilitate vertical alignment between DMs and LMs;
- Facilitate horizontal alignment with sector department and public utilities;
- Provide developmental planning input.
- Self assessment of district IDP documents.

4.3.7.Newspapers

Two newspaper adverts will be posted, the first one at the beginning of the process inviting the public to participate, the second advert will be posted once draft budget and IDP are in place inviting the public to comment and to comply with legislative requirement to advertise for 21 days for the public, once 21 day period has lapsed, the final draft will be sent to Council for approval.

4.3.8.Roadshows / Izimbizo

They will be held in 3 venues (on average) per municipality for all 6 six local municipalities. They will be held in March to May 2016 to consider draft IDP and budget including the announcement of municipal programme of action. The municipality is to look at a more friendly approach so that elements raised are fully included in the strategic document. The language is also believed to be a barrier so these should be conducted in languages that best suit the majority so as to increase meaningful participation.

The meetings in 2015/2016 financial year will focus on the needs that the community have rather than the projects that the community proposes.

How many meetings

Two meetings per ward in the venues that are accommodative to most of the community members. In other words these meetings will make a clear distinction between what is needed by the community and what can be done. Thereafter the municipal officials together with the community will identify the support required in addressing the community needs.

Types of meetings

The focus of the meetings will ensure that many community members participate in the process; however the quality of the input will not be compromised. This is because one of the challenges within the participation process is that in some of the instances people do not contribute meaningfully in the participation process. The quality of the contribution will be ensured by having

the group breakaways within the meetings. In addition to that within the invitations there will be specific invitations that will be sent to the civil society organisations.

There will be two types of meetings with the first meetings being aimed at confirming the communities' current priority issues. From the community issues these will then be budgeted for. Thereafter the second set of meetings will be the IDP Budget road shows aimed at involving the communities within the budgeting process. However a dialogue will be formed between the municipality and the community through ward meetings/community forums.

With who

These meetings will target all the community members within the Ugu district municipality. This in one way or the other will allow the community to be involved rather than informed about the development planning process.

Objectives

Move towards a community needs driven development with the community being involved both in the planning and budgeting process.

By When

These will be completed by April 2016. Ongoing dialogue is also being encouraged.

4.3.9.RADIO SLOTS

These are mainly used by the political leadership. These are recommended where possible if they suit the municipality's programme financially and otherwise.

SECTION B: PROCESS PLAN

5. Section One: 2016/ 2017 IDP Action Programme

5.1. Municipal and Provincial Budget and IDP Review Alignment

Legislation requires of district municipalities to prepare and adopt a Framework Plan which indicates how the district and local municipalities will align their IDPs. The Framework Plan provides the linkages and binding relationships to be established between the district and local municipalities in the region and in doing so, proper consultation, coordination and alignment of the IDP review process within the district and the various local municipalities can be maintained.

Every attempt has been made in this Process Plan to align the IDP and Budget preparation process, and the Performance Management System (PMS) review. The linkages of the three processes are summarised in figure 2.

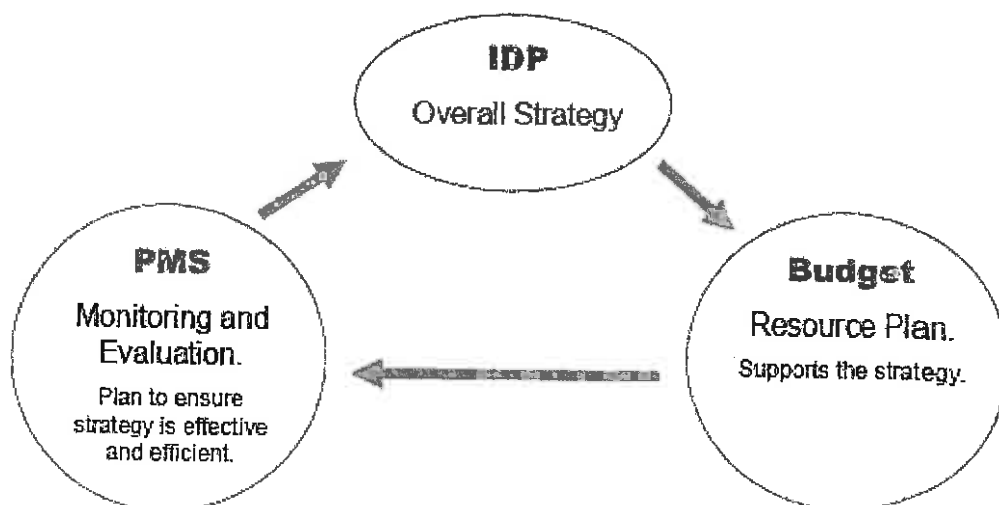


Fig 2: IDP, Budget & PMS Alignment

The 2016/2017 IDP Action Programme is based on the alignment of the internal municipal processes (IDP, PMS and Budget) with the external processes (planning and budgeting) of national and provincial government. This alignment has a substantial impact on the 2016/2017 IDP Process, specifically in terms of key milestones and deadline dates. The Municipal Finance Management Act (MFMA) No 176 of 2004 also has a direct and large impact on the 2016/ 2017 IDP Review Process in terms of alignment. Section 1.4 in the Process Plan indicates to the municipal and provincial budget and IDP alignment process, which also points to the critical dates for IDP and budget approval and development.

5.2. Horizontal, Vertical and Cross Border Alignment

The IDP forum, Ugu District Development Planning Forum (UDDPF), IGR Cluster meetings etc. will provide a platform/Mechanism for discussion on vertical, horizontal and cross border alignment issues since the three spheres of government are represented at the forum. Special strategic planning sessions and workshops will also be held.

5.2.1. Horizontal Alignment

Alignment of the district IDP with the local municipalities is very important to ensure that there is a sharing of information – particularly with regards to strategies, objectives, programmes and projects, and it will be undertaken through the UDDPF meeting which sits on bi-monthly basis. The frequent UDDPF meetings will assist the district family to monitor alignment issues constantly.

Furthermore, the District will ensure alignment with its entity, the South Coast tourism to ensure the tourism goals and objectives are met.

5.2.2. Vertical Alignment

Alignment with Service Providers is essential so as to ensure that the DM and LM's priorities can be reflected in their project prioritisation process, as well as so that Service Provider projects can be reflected in the IDP documentation. Alignment with Sector departments and Service providers will also take place as it is essential in order for the District family to have consistence planning and also priorities can be indicated in their project prioritization. This will be undertaken through meetings or one-on-one basis. The district holds its IDP RF meetings on a bi-monthly basis.

Department of Cooperative Government and Traditional Affairs will also be having a district wide alignment session with all the Sector Departments for the Ugu District area of jurisdiction on the 29th of November 2014.

5.2.3. Cross Border Alignment

Cross-border alignment is necessary to ensure the spatial coordination of development efforts. This can be done through existing organisational structures such as the Ugu District Development Planning Forum and IDP RF. A concerted effort will be made to facilitate such alignment and coordination.

Ugu District Municipality will further arrange one on one meetings with cross border district municipalities to align and integrate issues of functional areas on the IDP and Spatial Development Framework. It will also assist the municipalities to align development issues in an efficient, effective and sustainable manner especially where there are shared and interdependent

functional areas across the district. The one on one cross border meetings will be arranged with Alfred Nzo, Harry Gwala, Umgungundlovu Districts and eThekweni Metro municipalities.

5.3. Integrated Development Planning & Budget:

The budget planning cycle considers a review of the IDP, service delivery targets and objectives for the next 3 years. It also considers local, provincial and national issues, previous year's performance and current economic and demographic trends. It is essential that such alignment is indicated so that the municipality can be able to ensure that all budgeted projects are implemented within the budget year whilst continuing to outsource funding for those projects which are non-funded.

5.3.1.Key Budget Dates for 2016 / 17

The key budget dates for the 2016/17 financial year are captured in Table 3. The Budgetary Process will address the various budget requirements and focus areas identified through self-assessment, i.e. compliance issues. The spotlight is on the alignment of the Budget to the IDP, Organisational PMS and SDBIP.

Table 3: Key Budget Dates

DATE	ACTIVITY	RESPONSIBILITY
Aug 2015	Budget Framework Preparation of budget framework to provide parameters and request budget inputs for the 2016/17 budget	CFO
Oct 2015	Submission of three year capital plan to National Treasury	CFO
Oct 2015	Preliminary community engagement process	CFO
February 2016	Budget Review Review of current budget and preparation of adjustment budget	MANCO
February 2016	Submission of Budget Inputs HODs to submit departmental budget inputs Capital projects submitted through IDP process	HODs
March 2016	Budget Discussion Document Compile discussion document from inputs and submit to EXCO and MANCO	CFO
March 2016	Budget Workshop Discuss budget inputs, link capital and operational plans to IDP and determine preliminary tariffs	EXCO MANCO
March 2016	Draft Budget Submit draft multi-year operational and capital budget to Council, Provincial Treasury, DLGTA and National Treasury	CFO
April 2016	Public Consultation Process Public consultation on draft budget throughout the district	MAYOR EXCO MM
May 2016	Respond to Public Comments Responding to public comments and sector comments and incorporate recommendation into draft budget where possible	MAYOR CFO

May 2016	Approval of Final Draft Budget Approve draft multi-year operational and capital budget	COUNCIL
June 2016	Advertising Publications of approved budget and promulgation of water tariffs	MM CFO
June 2016	Submission of Budget Submit approved budget to Provincial Treasury, DLGTA and National Treasury	CFO
June 2016	Compile SDBIP Compilation of service delivery and budget implementation plans (SDBIP) and submit to Council for approval	MAYOR MM

5.3.2. Key elements to be addressed during the review process

The following is a summary of the main activities to be undertaken during this IDP Review 2016 / 2017 process:

- Comments received from CoGTA in the assessment of the IDP 2015/2016 Review held on April 2015 and July / August 2015;
- Areas requiring additional attention in terms of legislative requirements that were not addressed during the previous years of the IDP process;
- Consideration, review and inclusion of any relevant and new information such as New Council priorities;
- Shortcomings and weaknesses identified through self-assessment;
- Review and updating of the strategies and objectives as circumstances dictate;
- Review and updating of Water and Sanitation Backlogs;
- On-going alignment of the Ugu IDP to the PGDS and PDP, Outcome 9, MTAS, COP17 and other relevant National and Provincial development guidelines and policies;
- Review and updating the Sukuma Sakhe/ War on Poverty and War Rooms on a monthly basis;
- Preparation, review and alignment of relevant sector plans with the IDP.
- On-going alignment of the Municipality's Performance Management System in terms of Chapter 6 of the MSA, with the IDP.
- Update of the Financial Plan as well as the list of projects, inclusive of a 3-year Capital Investment Framework (CIF).

5.4. Performance Management

The process plan and its activities will be monitored in the Municipality. The PMS will be developed and will be reported by both internal and External Role players through the following strictures: Top Management, Extended Top Management and IDP Forum.

5.4.1. Performance Management Systems Dates 2015 / 16

The key Performance Management System dates are summarised in Table 4 below.

Table 4: Performance Management System Dates

ACTIVITIES	TIMEFRAME
Approval of the draft PMS Review 2015/16	Before end of July 2015
Advertise and adopt PMS Review 2015/16	29 August 2015
Advertise 2015/16 SDBIP	Mid-July 2015
2014/15 Annual Municipal Performance Report	August 2015
Sect 57 Managers signing of 2015/16 performance agreements	Due by 31 July 2015
SDBIP performance assessment and organisational performance reporting (Jul – Sept)	October 2015
Sect 57 Managers formal mid-year appraisals (Oct - Dec)	January 2016
Mayor tables 2014/15 annual report to Council	Due by 30 January 2016
SDBIP performance assessment and organisational performance reporting (Oct – Dec)	January 2016
IA reporting and Special AC meeting (audit of mid-year performance assessment)	March 2016
SDBIP performance assessment and organisational performance reporting (Jan – Mar)	April 2016
Make public annual report and invite community inputs into report	21 days in Feb 2016
Council to adopt Oversight Report	Due by 31 March 2016
Publicise Annual Report and Submit copy to Provincial Legislature	Mid-April 2016
Draft and submit draft performance agreements to Mayor	June 2016

5.5. Action Programme

Table 5 provides the detailed action plan for the 2016 / 2017 IDP. The action plan is broken up into the 4 quarters of the municipal financial year with activities reflecting being either IDP, PMS or Budget related with budget Estimates. The development of the 2016/17 IDP review will be done in five phases as outlined in 5.5.1. to 5.5.6.

5.5.1. Preparatory Phase

This is a phase in which the municipality positions itself to comply with the policy and legislature requirements that guide the IDP process. The local municipalities are guided by the common district IDP Review Framework Plan and each local adopts a process plan set out in writing.

The Drafting and approval of the IDP Framework and Process Plan is the deliverable of this phase and will take place between **July and August 2015**.

5.5.2. Analysis Phase

This is the phase which deals with the existing situation in a municipality and focused on understanding the types of problems / challenges facing the communities in each municipality. Once these are identified the municipality then considers community's opinion of their problems and needs, but also facts and figures. The cause of the problem rather than the symptom should be well understood. It is also critical for the municipality to prioritise the key issues, due to capacity constraints.

The deliverable of this phase is **Chapter 3: Situational Analysis**, of the IDP and will take place between **September and November 2015** and will inform the strategic phase.

5.5.3. Strategic Phase

This is the phase whereby the municipality formulates the solutions to address the problem or challenges that have been identified in the analysis phase, once it understands the problem. It includes the formulation of the vision that would reflect ambitious, credible, inspiring and achievable statements about the future of the municipality. Then statements are developed (developmental objectives) of what it would like to achieve in the medium term in order to address the problem issues and also contribute to the realisation of the vision. Once all of that is in place, the strategies that provide answers to the question how they will reach their objectives needs to be then developed. Once strategies are formulated they result in the identification of projects. The deliverable of this phase is **Chapter 4: Development Strategies**, of the IDP and will take place between **November and December 2015**.

5.5.4. Project Phase

This is the phase that is about the design and specification of projects for implementation. The projects identified need to have a direct linkage to the priority issues and the objectives that were identified in the preceding phases. The location, commencement & completion dates, project managers, project costs, sources of funding for each project as well as the intended beneficiaries of these projects are captured.

The deliverable of this phase is **Chapter 5: Implementation Plan**, of the IDP and will take place during **December 2015 and January 2016**.

5.5.5. Integration Phase

This phase deals with the sub programme proposals, which were presented in the preceding phase have to be harmonised in terms of contents, location and timing in order to achieve consolidated programmes for municipalities.

The deliverable of this phase is an operational strategy (SDBIP) and OPMS, Chapters 7 & 8 of the IDP and will take place between **February and March 2016**. Furthermore, this is the phase that will ensure the adoption of the Draft 2014/15 IDP Review.

5.5.6. Adoption Phase

Once the IDP is completed it is submitted to the municipal council for consideration and approval. The council must make sure that the IDP complies with legal requirements before the approval. The final deliverable of this phase is the adoption of the 2015/16 Ugu District Municipality IDP Review and will take place between **April and May 2016**.

The following steps will be taken to facilitate the final approval of this 2016/2017 Ugu IDP Review:

i. Public Involvement

- The Mayor must make presentations to all Wards by means of a Public Participation.
- Various IDP Steering Committee and EXCO meetings need to be held to facilitate reporting on progress with regard to the IDP process.
- IDP Representative Forum meetings need to be held and proper attendance ensured.

ii. Critical Procedural Steps

- Simultaneously, the general public need to be informed that the IDP is open for comment and representation.
- After the comment/representation period has closed, the draft IDP with relevant amendments must be submitted to the Ugu Council for adoption.
- To achieve District and Family alignment, the Ugu Development Planning Forum needs to ensure co-ordination and consultation between the district council and local municipalities.
- Draft IDP containing Finance Plan as well as draft SDBIP to be approved by EXCO and Council.

Table 5: Ugu District Municipality Action Programme 2016 / 2017

FIRST QUARTER															
PHASE	ACTIVITY	RESPONSIBILITY	KEY DEADLINES	JULY				AUGUST				SEPTEMBER			
				1	2	3	4	1	2	3	4	1	2	3	4
PREPATORY	1. Drafting of Framework and Process Plan	Manager IDP	July – Aug 2015												
	1.1. Submission draft Framework & Process Plan to Cogta for comment		31 July 2015												
	1.2. Submit draft Framework & Process Plan to IDP Steering Committee, IDPRF and EXCO for consideration and recommendation		21 August 2015												
	1.3. Adoption by Council		27 August 2015												
	1.4. Advertise on local news paper for commencement of the IDP review process.	Ugu family	31 August 2014												
ANALYSIS	2. Submit Annual Performance Report to AG	PMS Officer	30 August 2015												
	3. Evaluate the changed circumstances and conduct socio analysis research	Manager IDP	Monthly												
	3.1. Review IDP Implementation Plan (by reviewing alignment of objectives strategies and projects against the METF budget)		30 September 2015												
	3.2. Determine funding availability and requirements and all the necessary preparations														
	3.3. Determine which sector plans need to be reviewed and commence with the process of reviewing thereof														
	4. Consider MEC Comments														
	4.1. Action Plan to Address MEC Comments														

SECOND QUARTER

PHASE	ACTIVITY	RESPONSIBILITY	KEY DEADLINES	OCTOBER				NOVEMBER				DECEMBER			
				1	2	3	4	1	2	3	4	1	2	3	4
Strategic & Projects	5. Submission of the 1st Draft Annual Report to Auditor General.	Snr. Manager CS & SS	30 August 2015												
	6. Conduct financial sustainability strategy with revenue enhancement focus	GM: Treasury	31 October 2015												
	7. Conduct Community needs Consultation	Manager IDP, Snr Manager Political Support	October - November 2015												
	7.1. Mayoral Izimbizo														
	7.2. Ward Committee Imbizo Workshop		28 November 2015												
	8. Hold strategic sessions (to include sector departments and feed local analysis into sector strategic plans thereof)	Manager IDP	December 2015												
	8.1. Align the strategic framework with internal and external policies														
	8.2. Submit the draft reviewed strategic framework to the Steering Committee and IDPRF														
	9. Estimate available sources & provide guidance for way forward for budgeting	GM: Treasury	27 November 2015												
	9.1. Submit 2014/2015 budget framework to all relevant persons (Budget framework to include salary, operational and capital budget related information).		08 December 2015												
	9.2. District IDP mini assessments	GM: Treasury	10 December 2014												
	9.3. Preparation of a summary of available funds from: Internal Funds, e.g. CRR and External Funding, e.g. MIG		18 December 2015												
	9.4. Council finalises draft tariff policies in principle for 2013/2014 budget year.		29 November 2015												
	10. Sector - Municipal Alignment sessions under the auspices of COGTA	COGTA	29 November 2015												

UGU DISTRICT MUNICIPALITY **2016 / 2017 IDP & BUDGET PROCESS PLAN**

		2016/2017 IDP & BUDGET PROCESS PLAN																
11. Integrate Reviewed Sector Plans into the IDP.	Manager IDP	30 December 2015																
12. Alignment meetings with neighboring District Municipalities																		
Third Quarter																		
PHASE	ACTIVITY	RES	KEY DEADLINES	JANUARY				FEBRUARY				MARCH						
				1	2	3	4	1	2	3	4	1	2	3	4			
Integrati on	13. Assess financial Feasibility of proposed new projects based on existing and potential funds. (Budget Examination)	GM: Treasury	21 January 2016															
	14. Mid-Year Review and submission of report to COGTA Provincial	PMS Officer	23 January 2016															
	15. Tabling of Draft Annual Report to Council	PMS Officer	30 January 2016															
	16. 1 st draft 2015/16 IDP review	Manager IDP	January – February 2016															
	16.1. Submit 1st draft IDP review to Steering Committee, IDRF and EXCO for recommendations.	Manager IDP	13 March 2016															
	16.2. Submit 1st draft IDP review to Council for adoption	Manager IDP	31 March 2016															
	16.3. Submit 1st draft IDP review to province (CoGTA) for assessment.	Manager IDP	27 March 2016															
	16.4. Advertise IDP for public comments	Ugu Family	March 2016															
	17. Tabling of Annual Report to Oversight Committee and adoption	Snr. Manager CS & SS	31 March 2016															
	18. Consideration of 2014/2015 Draft Budget by a joint meeting of the Budget Steering Committee and EXCO		21 March 2016															
19. Tabling of 2014/2015 draft budget to Council	GM: Treasury	31 March 2016																

FOURTH QUARTER

PHASE	ACTIVITY	RES	KEY DEADLINES	APRIL				MAY				JUNE			
				1	2	3	4	1	2	3	4	1	2	3	4
Approval	19.1. Publicise tabled budget within 5 days after tabling, on website and the media	GM: Treasury	04 April 2016												
	19.2. Send copy of tabled budget to National and Provincial Treasury for comments		11 April 2016												
	20. Ugu Decentralised IDP Assessment Forums	CoGTA	07 April 2016												
	20.1. Incorporate comments received from IDP Provincial Assessment and all other outstanding comments	Manager IDP	30 April 2016												
	21. Conduct Community Consultation	Manager IDP, Senior Manager Communications	April /May 2016												
	21.1. Attend IDP/Budget Roadshows		April/May 2016												
	21.2. Ward Committee Imbizo Consultations	Manager IDP	22 May 2016												
	22. Submission of Budget for 2015/16 to Council for approval		29 May 2016												
	22.1. Prepare Budget in the required format and submit Provincial and National Treasury.														
	22.2. Set up expenditure, revenue and asset management system, incorporating budget	GM: Treasury	29 May 2016												
	22.3. Publication of the approved 2014/2015 tariffs of charges in Gazette, website and local media.		03 June 2016												
	23. Final draft 2015/16 IDP review	Manager IDP	April – June 2016												
	23.1. Submit final draft IDP review to Steering Committee, IDRF and EXCO for recommendations.	Manager IDP	26 May 2016												
	23.2. Submit final IDP review to Council for adoption	Manager IDP	31 May 2016												
	23.3. Submit final draft IDP review to province (CoGTA) for assessment.	Manager IDP	10 June 2016												

5.6. Cost Estimate for the Planning Process

Council has received grant funding from the Department of Local Government and Traditional Affairs for the IDP review process. The municipality has budgeted R10 590.00 for IDP review however grant funding from COGTA will also be utilized for IDP review but will not be reflected on the document. The planning process is outlined below:

ITEM	COST ESTIMATE
IDP Advertising	R12 000.00
Workshops and Meetings	R30 000.00
Printing Costs	R200 000.00
IDP / Budget Roadshows	R150 000.00
Translating Costs	R100 000.00
Total	R482 000.00

The IDP review is mainly done in-house; the planning process will therefore be to a large extent and be accommodated within the available funding. However, additional funds may be obtained from other sources and such funds will be utilized to complete certain aspects of the review process such as the sector plans that might need specialist assistance.

5.7. Conclusion

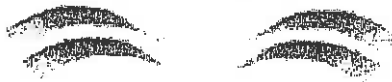
The Ugu IDP Review 2016/2017 will focus on the achievements of the Ugu DM in accomplishing what it has set out to do within the third year of the planning cycle. It is necessary to measure achievement in terms of backlog eradication and the effective spending of allocated funds. Ugu DM must assess its performance and the achievement of its targets and strategic objectives for the District IDP to remain relevant. The IDP therefore has to be reviewed annually in order to:

- Ensure its relevance as the Municipality's Strategic Plan.
- Inform other components of the Municipal business process including performance management and institutional and financial planning and budgeting.
- Inform the cyclical inter-governmental planning and budgeting cycle.

In the light of this development process, the IDP will reflect the impact of successes as well as corrective measures to address challenges. The IDP process will address internal and external circumstances that impact on the priority issues, objectives, strategies, projects and programmes of integrated planning.

The IDP, as the Ugu District Municipality's Strategic Plan, informs Municipal decision-making as well as all the business processes of the Municipality. The IDP must inform the Municipality's financial and institutional planning and most importantly, the drafting of the annual budget.

Although the IDP, Budget and Organisational PMS Process are three distinct processes, they are integrally linked processes which must be coordinated to ensure that the IDP, the Budget and the Organisational PMS with their related policies are tabled as mutually consistent and credible.



UGU DISTRICT MUNICIPALITY

BUDGET POLICY



BUDGET POLICY**Contents**

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1. PRINCIPLES

Section 215 (1) of the Constitution of the Republic of South Africa states that National, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector. It also states in S215 (3), that Budgets in each sphere of government must contain

- a. estimates of revenue and expenditure, differentiating between capital and current expenditure;
- b. proposals for financing any anticipated deficit for the period to which they apply; and
- c. an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year.

Section 26(h) of the Municipal Systems Act (Act 32 of 2000) requires a municipality's Integrated Development Plan to reflect a financial plan, which must include a budget projection for at least the next three years;

Section 21 of the Municipal Finance Management Act (Act 56 of 2003) prescribes the function of the Mayor who must coordinate the processes for preparing the annual budget and for the reviewing of the municipality's Integrated Development Plan and budget related policies and to ensure that any revisions are mutually consistent and credible;

Section 16 of the Municipal Finance Management Act, requires the municipal council to approve an annual budget for the municipality before the start of the financial year;

The Minister with the concurrence of the Minister for Provincial and Local Government, has in terms of S168 of the Municipal Finance Management Act, issued the Municipal Budget and Reporting Regulations which aim to secure sound and sustainable management of the budgeting and the reporting practices of the municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes;

Now **THEREFORE**, the Council of Ugu District Municipality adopts the Budget Policy as set out in this document.

2. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act, has the same meaning as in that Act.

References will be made in the policy to particular legislation without quoting it verbatim. The users should therefore refer to the legislation for the exact text.



BUDGET POLICY

3. OBJECT OF THE POLICY

To set a broad framework within which Budget related decisions of the municipality will be taken and implemented to ensure efficient and transparent financial planning that will promote sound and sustainable financial management, essential for the achievement of the municipality's developmental priorities as contained in its Integrated Development Plan.

4. SCOPE AND INTENDED AUDIENCE

This Policy will serve as a guideline for the effective management of the municipal budgetary processes, in order to attain the strategic objectives of the municipality within the ambits of the applicable legislation, and shall apply to all departments within the municipality.

Council has considered the guidelines distributed by National Treasury to local government which detail the processes and formats to be followed when preparing the budget documents.

The municipality shall comply with the provisions of this policy in the compilation of each of its budgets.

5. REGULATORY FRAMEWORK

In the process of preparing the budget, the municipality, its Mayor, political office bearers, Municipal Manager, Chief Financial Officer and other officials comply with all relevant legal requirements , including:-

- a) The provisions of Chapter 4 of the Municipal Finance Management Act, 2003, ('the MFMA'), as well as Sections 42, 43, 53, 54, 55, 68, 69, 70, 71, 72, 75, 80, 81, and 83 thereof; and
- b) The Municipal Budget and Reporting Regulations published in terms of Section 168 of the MFMA.
- c) All relevant budget related Circulars and notices issued by the National Treasury.

6. ROLES AND RESPONSIBILITIES

(1) Role of Council

- a) Must provide political leadership & direction
- b) Play an oversight role by approving budget related policies, and ensuring that the priorities are reflected in the budget. (Council may not delegate approval of budgets & policies)
- c) Approve the Integrated Development Plan, the Annual Budgets and the Service Delivery Budget Implementation Plan.
- d) Monitor the outcomes of the implementation of the policies and budgets.

(2) Role of the Mayor

- a) Provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. (S53, MFMA)



- b) Prepare and table a schedule of key deadlines for the preparation, tabling and a approval of the budget, annual review of the IDP and the consultative process. (S16, MFMA)
- c) Take all reasonable steps to ensure that the municipality approves its annual budget before the start of the financial year and report to the municipal council and the MEC for finance in the province any delays in the tabling of the annual budget. (S53, MFMA)
- d) Must establish a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in S53, MFMA. (Reg 4(1))

(3) Role of the Accounting Officer (Municipal Manager)

- a) Assist the Mayor in performing budgetary functions assigned to him in terms of Chapter 4 & 7 of the MFMA and to provide administrative support, resources and information necessary for the performance of those functions. (S68, MFMA)
- b) Is responsible for the implementation of the approved budget and must take all reasonable steps to ensure that the spending of funds is in accordance with the budget and is reduced as necessary when anticipated revenue is anticipated to be less than the projected in the budget.
- c) Ensure that revenue and expenditure are properly monitored.
- d) Must prepare an adjustments budget and submit it to the Mayor for consideration and tabling in the municipal council when necessary.
- e) Report to the municipal council any shortfalls in budget revenue, overspending and necessary steps taken to prevent shortfalls and overspending.
- f) Submit to the Mayor actual revenue, borrowings, expenditure and where necessary report variances on projected revenue and the budget.

(4) Role of the Chief Financial Officer (CFO)

- a) Must advise the Accounting Officer on the exercise of powers and duties assigned to him in terms of the MFMA.
- b) Must assist the Accounting Officer in the preparation and implementation of the municipality's budget.
- c) Must perform all budgeting and other duties as delegated by the accounting officer in terms of S79, MFMA.

(5) Role of Senior Managers & Other Officials

- a) Each Senior Manager and each municipal official exercising financial management responsibilities must take all reasonable steps within her area of responsibility to ensure that the financial resources of the municipality are utilised effectively, efficiently, economically and transparently.



- b) Must prevent unauthorised, irregular and fruitless or wasteful expenditure and other losses within her Department.
- c) Must ensure that all revenue due to the municipality is collected.
- d) Must ensure that all information required by the accounting officer for compliance with the provisions of the Acts is timeously submitted.

(6) Role of the Budgeting Steering Committee

1. Reg.4 of the municipal budgeting and reporting regulations requires the Mayor to establish a Budget steering comprising of the following members:-

- o The Mayor – Chairperson
- o The Speaker
- o The Whips of Political Parties
- o The Accounting Officer (Municipal Manager)
- o The Chief Financial Officer
- o The IDP Manager
- o The Manager Budget Office and,
- o Members of Senior Management (Top Management)

2. The role of the Committee shall be:-

- a) To assist the Mayor in carrying out his statutory roles & responsibilities in accordance with S52 and S53 of the MFMA.
- b) To provide technical assistance to municipal political office bearers during policy formulation and to assist priority determination.
- c) To interrogate and make recommendations on the adoption of the Annual Budget, the Service Delivery and Budget Implementation Plan (SDBIP), S71 monthly budget statements and S72 Midyear budget and performance report and the Adjustments Budget.
- d) To evaluate the progress report of the Municipal Manager with regard to the financial year end closure and compilation of the municipal audit file.
- e) To evaluate progress report on the statutory audit by the office of the Auditor General.
- f) To exercise oversight in the compilation of the Annual Report.
- g) To evaluate action plans from the Municipal Manager on corrective measures to be taken on issues raised by the Auditor General.
- h) To evaluate and recommend payment of Annual Performance Bonuses to the Municipal Manager and Senior Management after the annual report has been adopted by Council on 31 January each year.

3. Council may adopt its existing Finance Portfolio Committee as its Budget and Steering Committee.

(7) Role of the Budget and Treasury Office



- a) To assist the Municipal Manager in tabulating key time frames for the Budget Process.
- b) To provide guidance to the Municipal Manager and Senior Managers during the budget preparation process in accordance with National Treasury MFMA Reforms.
- c) To consolidate departmental Capital and Operating budgets.
- d) To consolidate departmental S71 monthly budget statements, quarterly returns and the Midyear monitoring report and submit to the Finance Portfolio Committee.
- e) To report any unauthorised, irregular, fruitless and wasteful expenditure or any deviations from the approved budget to the Finance Portfolio Committee.
- f) To assist the Municipal Manager in implementing recommendations of the Finance Portfolio Committee.
- g) To manage the administrative operations of the Budget and Treasury Office to ensure full compliance with the MFMA and any issued guidelines or Circulars from National Treasury.

(8) Delegation of roles and responsibilities

1. All delegations by the Mayor to the Municipal Manager, Mayor to the members of the Finance portfolio Committee, the Municipal Manager to the CFO and other Senior Managers, of their roles, duties and responsibilities as per the MFMA:-

- a) Must be in writing
- b) are subject to the limitations as may be imposed by the Act,
- c) Does not absolve the Mayor, the Municipal Manager or the Senior Officials of the responsibilities concerning the exercise of the delegated power or the performance of the fiduciary duties.
- d) Should not be indefinite and must be reviewed annually.

7. ANNUAL SCHEDULE OF KEY DEADLINES

7.1. The deadline dates for all budget preparation processes shall be as per the approved Process Plan as tabled by the Mayor to Council in August.

7.2. Such Process Plan shall indicate the target dates for the draft revision of the IDP and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the MFMA, for the submission of all the budget-related documentation to the Mayor, Finance Committee, Executive Committee and Council.

7.3. Such time schedule shall provide for the deadlines set out in Appendix A, unless the Mayor, after consultation with the Chief Financial Officer, determines otherwise and provided that the requirements of the MFMA shall at all times be adhered to.

7.4. The Chief Financial Officer shall be responsible for ensuring that the time schedule is adhered to.



8. BUDGET PRINCIPLES

The sequence in which the Annual Budget shall be prepared shall be, first, the capital component and second, the operating component, except where the CFO with the consent of the Mayor decides otherwise.

The municipality's annual budget should:-

- a) Move towards the achievement of goals and objectives of the municipality within the constraints of the available resources.
- b) Consider the Priorities as identified in the State of the Nation Address, State of the Province Address and the State of the District Address.
- c) Reflect the priorities contained in the municipality's IDP.
- d) Be credible and fully funded from realistically anticipated revenues.
- e) Consider any resolutions taken by Council or the Executive Committee in the previous Budget Year which have financial implications on the current MTREF.
- f) The basis of measurement and accounting policies underpinning the municipality's annual financial statements must be the same as those used in the preparation of the municipality's annual budget and supporting documentation.

9. FUNDING OF EXPENDITURE

An Annual budget must be funded only from:

- a) Realistically anticipated revenues to be collected.
- b) Cash-backed accumulated surpluses from previous years not committed for other purposes;
- c) Borrowed funds, but only for revenue-generating capital projects; and
- d) Grants and subsidies as per DORA.

10. THE CAPITAL BUDGET

- a) The Budget shall be prepared in the prescribed budget format of National Treasury.
- b) The annual capital budget shall be prepared from a zero base, except in so far as capital projects represent a contractual commitment to the municipality extending over more than one financial year.
- c) The annual capital budget shall only be approved by Council if it is properly balanced. I.e. if the sources of finance have been secured to fund the budget and are equal to the proposed capital expenditure.
- d) Before approving the capital budget, the Council shall consider the impact on the present and future operating budgets in relation to Finance Charges on external loans, Depreciation on fixed assets,





VIREMENT POLICY

UGU DISTRICT MUNICIPALITY



VIREMENT POLICY

Contents

1. Definitions
2. Object of the policy
3. Legislative framework
4. Determination of vote
5. Manageable groups of revenue
6. Non manageable groups of revenue and expenditure
7. Operating Budget virements
8. Capital Budget virements
9. Review of policy



10. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act, has the same meaning as in that Act.

References will be made in the policy to particular legislation without quoting it verbatim. The users should therefore refer to the legislation for the exact text.

"Virement", means "a regulated transfer or re-allocation of money from one line item account to another, within the same vote especially public funds."

"Identified Savings", the original budget less all the expenditure incurred and committed orders on that account.

11. OBJECT OF THE POLICY

To introduce a Framework by which departmental budgets can be managed by HOD's to ensure effective financial management.

A virement represents a flexible mechanism to effect budgetary amendments within a municipal financial year.

12. LEGISLATIVE FRAMEWORK

- a. Chapter 4 of the Municipal Finance Management Act.
- b. The Municipal Budget and Reporting Regulations published in terms of Section 168 of the MFMA.
- c. All relevant budget related Circulars and notices issued by the National Treasury.

13. DETERMINATION OF VOTE

CFO shall determine the number and type of votes to be used and line items to be shown under each vote. In so doing, the CFO shall consider and properly reflect the organisational structure and shall comply with the prescribed budget format of National Treasury. The operating expenditure shall be classified as per the Government Financial Statistics classifications used in the prescribed National Treasury format

14. MANAGEABLE GROUPS OF REVENUE

All manageable revenue which is budgeted for under a department is the responsibility of each HOD to ensure that it is collected.

Must report to the CFO and budget office any deviations that they become aware of which might affect the budgeted estimates.

HOD's are responsible for all grants and donations which are budgeted for under their departments.



They must report any deviations to the Chief Financial Officer or the budget office in writing. They must seek reasons for deviations from the responsible donor or the transferring sector departments.

If HOD's become aware that budgeted revenue will not materialize or will not be collected, they must inform the CFO or the Budget Office to ensure that revenue will be adjusted downwards in the Adjustments Budget.

15. NON-MANAGEABLE GROUPS OF REVENUE AND EXPENDITURE

No funds Transfers can be made on these groups:-

Depreciation,
Finance Charges,
Departmental Charges,
Investment Income and
Employee Related Costs

16. OPERATING BUDGET VIREMENTS

Operating budget virements can only be done on General Expenses, Contracted Services and Repairs and Maintenance items.

Funds transfer can take place within these groups provided the total approved budget allocation per vote is not exceeded. In order for an account to transfer funds from one item to another, there must be identified savings within the limitations of the approved budget for that group. These must be clearly stated in the formal funding requests submitted to the CFO and the Budget Office. Funds may not be transferred to new line items of the operating budget.

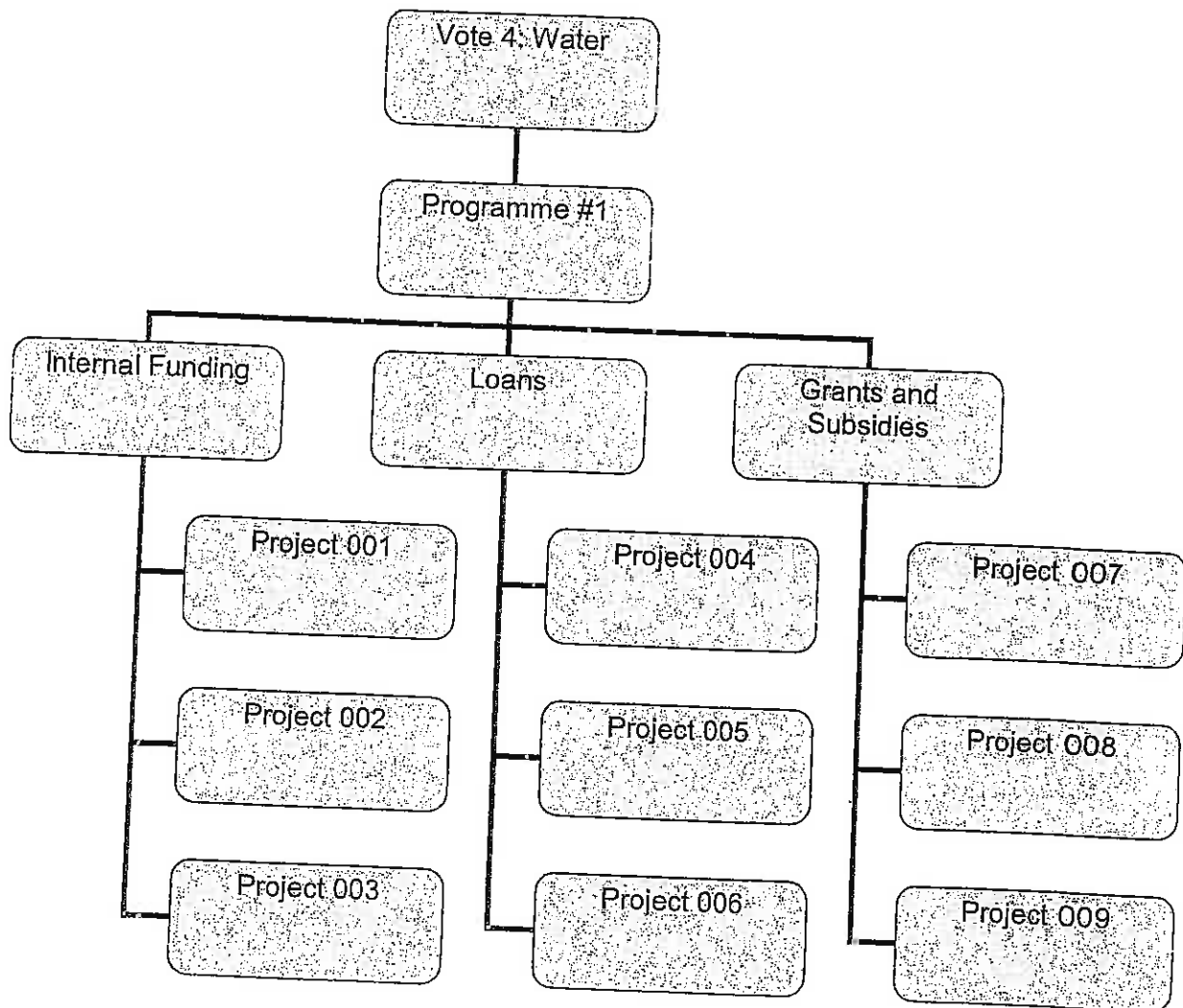
All requests for the transfer of funds must be in writing using the prescribed request forms in Appendix A and B, and must be properly authorised by the Manager and General Manager responsible for that vote and the Chief Financial Officer as per the set limits.

Each HOD is responsible for his own operational budget and must ensure that all expenditure is contained to the approved allocations by Council.

Movement of funds from different sectors and categories will be attended to in the normal Adjustments Budget process annually in February.



17. CAPITAL BUDGET VIREMENTS



Virements on the Capital budget allocations can be done from one project to another within the same vote and source of funding, i.e. from Water, CRR to Water CRR. Virements cannot be done to a new project which was not part of the approved capital budget. Any other transfer of funds or requests for new allocations must be done through an adjustments budget and approved by Council.

Virements can be done on conditional grant funded projects; provided that there is a written agreement by the said funder.

All requests must be in writing on the prescribed form in Appendix B and must be properly authorised by the responsible Manager, General Manager and the CFO.

18. REVIEW OF POLICY



VIREMENT POLICY

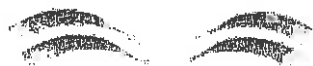
This policy will be reviewed once annually during the Annual Budget Process.

Records of Approval

Meeting	Date	Resolution
Top Management		
EXCO		
Revision 1		
BTS Task Team		
Top Management		
Extended Top Management		
LLF		
Corporate Services Portfolio		
EXCO		



FUNDING AND RESERVES POLICY



FUNDING AND RESERVES POLICY

UGU DISTRICT MUNICIPALITY



FUNDING AND RESERVES POLICY

Contents

1. Definitions
2. Object of the Policy
3. Scope and Intended Audience
4. Regulatory Framework
5. Funding of the Annual Budget
6. Cash Management
7. Donations, grants and subsidies
8. The Capital Replacement Reserve
9. Capital Contributions
10. Other Items to be cash backed
11. Policy review



FUNDING AND RESERVES POLICY

1. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act, has the same meaning as in that Act.

References will be made in the policy to particular legislation without quoting it verbatim. The users should therefore refer to the legislation for the exact text.

2. OBJECT OF THE POLICY

The objectives of this policy are to:

- 2.1 Ensure that the Medium Term Revenue/Expenditure Framework (Annual Budget) of the Municipality is appropriately funded.
- 2.2 Ensure that cash resources and reserves are maintained at the required levels to avoid unfunded liabilities.
- 2.3 To achieve financial stability in order to provide sustainable levels of service delivery to the community.

3. SCOPE AND INTENDED AUDIENCE

The funding and reserves policy aims to ensure that the Municipality has sufficient funding in order to achieve its objectives through the implementation of its operating and capital budgets.

This policy aims to set guidelines towards ensuring financial viability over both the short- and long-term which includes reserves requirements.

4. REGULATORY FRAMEWORK

The legislative framework governing funding of the Annual Budget is:

- 4.1 Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003); and,
- 4.2 Local Government: Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.

FUNDING AND RESERVES POLICY

5. FUNDING OF THE ANNUAL BUDGET

5.1 An annual budget may only be funded from:

- a. Cash backed accumulated funds from previous years' surpluses and reserves not committed for any other purpose;
- b. Realistically anticipated revenues to be collected;
- c. Borrowed funds only for capital expenditure, and
- d. Grants and subsidies.

5.2 Realistic anticipated revenue projections must take into account:

- a. Projected revenue for the current year based on the previous year's billing information.

6. CASH MANAGEMENT

The availability of cash is the most important requirement for financial sustainability and must be closely monitored by the CFO. In doing so the CFO must ensure a minimum cash on hand to cover 60 days operational expenditure.

Surplus cash not immediately required for operational purposes must be invested in terms of the Municipality's Cash and Investment Policy to maximize the return on cash.

7. DONATIONS, GRANTS AND SUBSIDIES.

Revenue from donations or any other grants may only be included in the budget if there is acceptable documentation that guarantees the funds such as:

- (i) Signed service level agreement;
- (ii) Contract or written confirmation; or
- (iii) Any other legally binding document.

The conditions of the specific grant must be taken into consideration when allocated to a specific project.

Government grants and subsidies allocated to specific capital projects are provided for on the relevant department's operating budget to the extent that the conditions will be met during the financial year.



FUNDING AND RESERVES POLICY

8. THE CAPITAL REPLACEMENT RESERVE

All reserves must be "ring fenced" and "cash backed" as internal reserves within the accumulated surplus, except for provisions as allowed by GRAP.

Once the municipality has reached its maximum gearing ability, no further borrowings can be taken up. The municipality must invest in a capital replacement reserve. This reserve provides internal funding for the municipality's capital replacement and renewal programme.

Contributions to the capital replacement reserve through the operating budget will be:

- (i) Interest received on investments;
- (ii) Contributions from surplus if cash are available;
- (iii) Proceeds from sale of assets.

Comment [f1]: Added in 2015 to ensure additional funding for future capital expenditure

9. THE CAPITAL CONTRIBUTIONS

These supplement capital expenditure for the necessary expansions and upgrading of bulk infrastructure. Revenue generated from capital contributions is allocated to this reserve for each applicable service. The unspent contributions must be cash backed to ensure availability of cash when the infrastructure upgrades are required.

Comment [f2]: Should this not be added to the CRR but shown separately under that reserve to keep track of the available funds for capital expansion of water and sanitation infrastructure.

This contribution must be made through the operating budget as the income is taken as unconditional contributions

Comment [f3]: Developers contributions are recognised as income so this contribution should be via the income statement.

10. OTHER ITEMS TO BE CASH BACKED

a) Unspent conditional grant funding

Revenue received from conditional grants is recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Amounts in relation to the unspent grant funding are therefore retained in cash and are not available to fund any other items on the operating or capital budget other than that for which it was intended for.

b) Consumer Deposits

Consumer deposits are partial security for a future payment. Deposits are considered a liability as the deposit is utilised once the agreement is terminated. The funds are owed to consumers



FUNDING AND RESERVES POLICY

and can therefore not be utilised to fund the operating or capital budget. Consumer deposits should be retained in cash and be ring-fenced.

11. POLICY REVIEW

This policy will be reviewed annually to ensure that it complies with changes in applicable legislation and accounting standards.

Records of Approval

Meeting	Date	Resolution
Top Management		
EXCO		
Revision 1		
BTS Task Team		
Top Management		
Extended Management	Top	
LLF		
Corporate Services Portfolio		
EXCO		





UGU DISTRICT MUNICIPALITY

BASIC WATER SERVICES POLICY



BASIC WATER SERVICES POLICY**Contents**

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3. Purpose	3
4. Administration of free basic water services	3
5. Free basic water	4
6. Qualification criteria	4
7. Free basic sanitation	4



1. THE LEGAL CONTEXT

"basic water supply" means the minimum standards of water supply services necessary for the reliable supply of water to households to support life and personal hygiene prescribed in terms of the Water Services Act, 1997 (Act No. 108 of 1997);

2. OBJECT OF THE POLICY

The Ugu District Municipality fully supports the National Government's Policy on providing free basic services to the poorer section of the community. In that regard it will fully co-operate in implementing the policy. However, being committed to the fundamental principle set out in paragraph 4 above, the financial implications must determine the extent to which water can be provided free to certain consumers. In conjunction with the Provincial Support Units established by the Department of Water Affairs and that Department, the Ugu District Municipality will progressively introduce the policy to its area. Full advantage will be taken of subsidies and grants made available by other spheres of government to enable the Ugu Municipality to implement a policy of free basic water without violating the fundamental principle. In line with the principles of transparency inherent in paragraph 7.1, the people of the area will be informed and consulted on the implementation of the policy as it unfolds. There are two inter-related long-term objectives which will guide the Ugu Municipality in regard to the provision of free basic services and these are:

- a) the elimination of poverty in the Ugu District area, and
- b) the equal treatment of all persons in the area.

Whilst the historic imbalances between the citizens of South Africa are a fact, resulting in a mass of poor people badly provided with basic services, this should not be seen as normal and everlasting. Initially therefore, different levels of service must be provided at affordable or no cost, but the policy is accepted that, over time, realistically computed, these distinction should be eliminated and everyone should be treated equally.

3. PURPOSE

The primary purpose of the basic water services policy is to assist in promoting sustainable access to basic water supply and sanitation to all households.

4. ADMINISTRATION OF FREE BASIC WATER SERVICES

In recognition of the primary importance of having a clean and adequate water supply, the South African government in 2000 introduced the Free Basic Water Policy, which allows for household to get 6 000 litres (6kl) of water per month at no cost. Such service is dependent on the municipality receiving equitable share from National Treasury and as determined by Council from time to time.



BASIC WATER SERVICES POLICY

4.1 FREE BASIC WATER

4.1.1 PRIVATE CONNECTIONS

- Commercial, Government, Bulk users and Industrial users, and other categories be retained with no Free Basic Water allocation, except for users classified in designated zones within the Free Basic Water Policy. All households who fall in the group who qualify for free basic water in terms of Ugu district Municipality will receive a free water usage of 200 litres per day, based on the quota allocation and number of days in a meter reading period. The customer will forfeit this benefit should the consumption exceed the allocation per quota per month depending on the number of days.

4.1.2 QUALIFICATION CRITERIA

- Indigent households
- Rural communities where water is supplied by stand pipes
- Informal settlements where water is supplied by stand pipes
- People served from Springs and borehole water supply in rural areas
- Rain water harvesting schemes
- The Authority or the Authorised Provider may convey any water required as a temporary measure by tanker to any place where such temporary supply of water is required, subject to such conditions and period, which shall not exceed three months, as may be prescribed by it.

5. FREE BASIC SANITATION

Free basic sanitation shall be provided to the following:

- Indigent households
- Rural communities where there is no sanitation infrastructure
- Informal settlements

Records of Approval



Meeting	Date	Resolution
Top Management		
EXCO		
Revision 1		
BTS Task Team		
Top Management		
Extended Top Management		
Finance Portfolio Committee		
EXCO		



CREDIT CONTROL AND DEBT COLLECTION POLICY

UGU DISTRICT MUNICIPALITY



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A. **PREAMBLE:**

- The Local Government : Municipal Systems Act No. 32 of 2000 ("the Municipal Systems Act") has as one of its objects the need to ensure financially and economically viable municipalities;
- The Municipal Systems Act also envisages a new system of Local Government requiring an efficient, effective and transparent local public administration that conforms to constitutional principles;
- The Ugu District Municipality has adopted a tariff policy in terms of Section 74(1) of the Municipal Systems Act No. 32 of 2000 which policy reflects the principles enunciated in Section 74(2) and differentiates as it may in terms of Section 74(3) of the Municipal Systems Act;
- The Ugu District Municipality has also adopted By-laws as envisaged in Section 75 of the Municipal Systems Act No. 32 of 2000;
- This policy is adopted in terms of Section 96(d) of the Municipal Systems Act, is consistent with the Ugu District Municipality's rates and tariff policies and complies with the provisions of the Municipal Systems Act;

B. **THE OBJECTIVES AND CONTENTS OF THIS POLICY:**

1. The adoption of this policy has as its principal objective the fulfilment of the requirements of Section 97(1) of the Municipal Finance Management Act, namely to provide for:-
 - a) Credit Control Procedures and Mechanisms;
 - b) Debt Collection Procedures and Mechanisms;
 - c) Provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents;
 - d) Realistic targets consistent with:-
 - (i) generally recognised accounting practices and collection ratios; and
 - (ii) the estimates of income set in the budget less an acceptable provision for bad debts;



- e) Interest on arrears, where appropriate;
 - f) Extension of time for payment of accounts;
 - g) Termination of services with the restriction of the provision of services when payments are in arrears;
 - h) and Matters relating to unauthorised consumption of services, theft and damages;
 - i) Any other matters that may be prescribed by Regulation in terms of Section 104 of the Municipal Systems Act.
2. To the extent that the differentiation envisaged in Section 97(2) of the Municipal Systems Act is discretionary,
- The Ugu District Municipality has in terms of Section 98 of the Municipal Systems Act No. 32 of 2000 adopted By-laws to give effect to this Credit Control and Debt Collection policy, its implementation and enforcement and for this reason it is not necessary within the framework of this policy to indicate the procedures of implementation, delegation or, otherwise, administration of this policy apart from what is mentioned further herein.

C. SUPERVISORY AUTHORITY:-

In terms of Section 99 of the Municipal Systems Act a municipality's executive committee or executive mayor, must:-

- 1. oversee and monitor:-
 - a) the implementation and enforcement of the Municipality's Credit Control and Debt Collection policy and any by-laws enacted in terms of Section 98; and
 - b) the performance of the Municipal Manager in the implementing of this policy and any by-laws;
- 2. Where necessary, evaluate or review the policy and any by-laws, or the implementation of the policy and any such by-laws, in order to improve efficiency in Credit Control and Debt Collection mechanisms, processes and procedures; and
- 3. At such intervals as may be determined by the Council report to a meeting of the Council, except when the Council itself performs the duties mentioned in paragraphs 1 and 2.

D. IMPLEMENTING AUTHORITY:



In terms of Section 100 of the Municipal Systems Act the Municipal Manager or service provider must :-

1. Implement and enforce the Municipality's Credit Control and Debt Collection policy and any by-laws enacted in terms of Section 98;
2. In accordance with the Credit Control and Debt Collection policy and any such by-laws, establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the Municipality; and
3. At such intervals as may be determined by the Council report prescribed particulars to a meeting of the Supervisory Authority referred to in Section 99.

E. DEFINITIONS:

1. Except to the extent to which the context may otherwise require:
 - a) any word or expression importing any gender or the neuter shall include both genders and the neuter;
 - b) words importing the singular shall include the plural and *vice versa* where the context so requires;
 - c) the following words shall have the meanings assigned to them herein:-
 - (i) "service charges" shall mean all monies that are currently due and payable to the Ugu District Municipality in terms of Section 96(a) of the Municipal Systems Act;
 - (ii) "Municipality" shall mean the Ugu District Municipality;
 - (iii) "Services" shall mean all services provided by the Ugu District Municipality and without limiting the generality of the a foregoing shall include_
 - aa) water supply and connection;
 - ab) sanitation supply and connection;
 - ac) miscellaneous services as specified in the Municipality's tariffs;
 - ad) where sanitation, connection and supply does not apply, sanitation haulage, ad hoc vacuum tanker services, conservancy tank clearances; services relating to industrial effluent;



- ae) the provision of water borne sanitation;
 - af) or any other services that the Municipality may supply all in terms of the Municipality's tariffs.
- (iv) "consumer" shall mean, without limiting the generality thereof, any natural person or legal entity or generally any member of the public who has made application for services and whose application has been approved.
- (v) "owner" shall mean, without limiting the generality thereof,
- (a) a person in whom is vested the legal title to the premises;
 - (b) in a case where the person in whom the legal title to premises is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
 - (c) in any case where the authority or authorised provider is unable to determine the identity of such person, a person who is entitled to the benefit of the use such premises or a building or buildings thereon, including a person who receives the rent or profits of such premises or any part thereof from any tenant or occupier or who would receive such rent or profits if the premises or any part thereof were let, whether for his own account or as agent for any person entitled thereto or having an interest therein;
 - (d) in the case of premises for which a lease agreement of 30 years or longer has been entered into, the lessee there under;
 - (e) in relation to -
 - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 95 of 1986, the developer or the body corporate in respect of the common property, or a section as defined in such Act, the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed provider of such person;



F. THE SCOPE OF THIS POLICY:

1. This policy shall apply solely in respect of all levies, fees, surcharges on fees, service charges and any other monetary amounts due to the Municipality and levied in terms of the Municipality's existing tariffs;
2. Any interest which has already or shall in the future accrue to the Municipality in respect of the rendering of the services;
3. Any collection charges lawfully due to the Municipality.

G. SERVICE AGREEMENTS:-

1. The Credit Control procedure shall commence with an application by a potential consumer for the provision of services;
2. The application aforesaid shall contain at least the following:-
 - a) the full name of the Applicant/s;
 - b) the identity number (in the case of a natural person) or registration number; copies of relevant registration certificate together with certified copy of the resolutions that give permission to apply on behalf of the legal person in the case of a corporate entity or any other legal person;
 - c) the postal address and physical address (which in the case of legal persons must include the address of their accounting officer or principal place of business);
 - d) a copy of the Applicant/s 's identity document or in the case of a legal person its proof of registration; copies of relevant registration certificate together with certified copy of the resolutions that give permission to apply on behalf of the legal person;
 - e) in the event that the Applicant/s is/are not the owner/s of the property at which the services will be supplied then the application must contain:-
 - (i) the consent of the owner to the supply of services on credit to the Applicant;
 - (ii) the owner/s 's full details including a copy of the owner/s 's identity document or proof of registration as envisaged in the preceding paragraphs;



- (iii) The aforesaid consent shall make provision that in the event of the Applicant/s defaulting in the payment of any amounts due that the owner/s will be held responsible therefore;
- f) the Applicant's contact details including :
 - (i) telephone numbers (home, work and cellular phone numbers); and
 - (ii) e-mail address (where applicable);
- g) The amount of the deposit shall be calculated as per policy and payable in advance prior to connection of the service;
- 3. Every such application shall constitute an offer to the Municipality to enter into an agreement with the Applicant for the rendering of the services applied for which upon acceptance shall constitute a binding agreement between the Municipality and the consumer/s;
- 4. Illiterate Applicants must be assisted in the completion of the forms and must affix their mark to the form which mark must be certified by a Commissioner of Oaths as the mark of the Applicant;
- 6. The name, address and details of the Applicant's employer shall also be stated;
- 7. The Applicant shall also consent on the application form to:-
 - a) an adverse listing with the credit bureau in the event of a default in payment;

H. THE RENDERING OF ACCOUNTS:

The Municipality shall render accounts to all consumers and in this regard in terms of Part 5: Accounts of the Water and Sanitation Services Municipal By-laws from time to time

- 1. Payments can be made at:-
 - (i) Ugu District Municipalities offices in Port Shepstone, Oslo Beach, Harding, Park Rynie offices as well as Satellite Offices;
 - (ii) The South African Post Office and their agencies;
 - (iii) ABSA Bank; and
 - (iv) Easy-Pay outlets, example Pick 'n Pay and Checkers;

- (v) Selected credit card payments can be made at Port Shepstone, Park Rynie, Harding and Oslo Beach offices.
 - (vi) In addition to the above, Municipality offers debit order facilities and details can be obtained from any of the municipal offices
2. *All Ugu District Municipal Councillors and employees who are deemed to be consumers must not be in arrears for a period longer than 90 days, the municipality reserves the right to recover any such amounts from monies due to the employee in terms of Clause 10, Schedule 2 of the local Government Systems Act*

I. DEBT COLLECTION PROCEDURE:

1. The Municipality or any duly authorised collection agent or service provider for the collection of outstanding debt may, in addition to the normal legal procedures for the collection of arrear accounts, also –
 - b) terminate or restrict the supply of services; and
 - c) allocate any payments or pre-payments toward the liquidation of any arrears;
3. In the event of the Municipality terminating the supply of the service, it will be in terms of Municipal By-laws Part 5 (13) "arrears"

J. INSTALMENT AGREEMENTS (ARREARS ONLY):

DOMESTIC ACCOUNTS

1. The Municipality recognises that in certain instances domestic consumers may experience difficulty with the payment of a lump sum arrear amount and in such instances will accommodate any domestic consumers who require paying their arrears over an extended period;
2. In these instances the Municipality shall require:-
 - a) an agreement stipulating:
 - (i) the extended period;
 - (ii) the amount payable by the consumer;
 - (iii) any deposits payable.

In such instances all deposits shall be payable either in cash or by bank guarantee.



3. Each request is treated on its individual merits, however, collection staff will be guided by the following minimum guidelines in entering into agreements of this nature:-
- a) First time request:-
 - (i) any amount in arrears – a deposit of 10% of the arrear amount is payable immediately with the balance payable over eleven months;
 - b) In case of a default, complete disconnection will be effected and free basic water can be collected from the Ugu Market premises. The full amount becomes due and payable immediately before re-instatement of the supply
 - c) In respect of repeat requests by domestic defaulting consumers or domestic consumers with agreements as envisaged in sub-paragraph (a) above or first time tampering consumers:-
 - (i) any amount in arrears – a deposit of 25% of the arrear amount is payable immediately with the balance payable over eleven months;
 - a. In case of a default, complete disconnection will be effected and free basic water can be collected from the Ugu Market premises. The full amount becomes due and payable immediately before re-instatement of the supply.
4. Reconnection fees and additional deposits must be paid in full before any agreement as aforesaid can be entered into;
5. In the event of such agreements being negotiated with legal entities, then, the agreement must be duly signed by a duly authorised officer of the same and this must be accompanied by personal sureties of a natural person. All such agreements must be accompanied by a resolution of the entity authorising the signatory to sign as aforesaid;
6. In instances where agreements as envisaged in this clause are entered into, a consumer may be required to complete a debit order authority for the payment of the arrears in terms of the agreement.

K. **DISHONoured CHEQUES:**

The refusal or failure by a bank to honour any cheque payment or debit order by a consumer shall be regarded as non-payment. In this regard:-

1. The consumer will be contacted telephonically and requested to make a cash deposit equivalent to that of the dishonoured cheque or debit order into the Municipality's bank account within 24 hours of such request;
2. Should the Municipality be unable to contact the consumer as aforesaid, the Municipality shall issue a final demand and proceed as envisaged earlier herein;
3. Should the cheque payment or debit order relate at all to an agreement for extension or reconnection, the supply of the service will immediately be disconnected without any further notice to the consumer and will only be reconnected once the consumer has made payment of the full outstanding balance in cash;
4. In the event of a consumer not having sufficient funds in cash to settle the amount equivalent to the amount of a dishonoured cheque then the Municipality shall be entitled but not obliged to proceed with the institution of criminal charges of fraud against the consumer;
5. All dishonoured cheques shall be retained by the Municipality and only returned to the consumer upon request therefore by the consumer and after reversal of the dishonoured payment;
6. The Municipality shall be entitled to levy an administration fee in order to recover all bank charges and administrative work involved in reversing the entries which fee shall levied irrespective of the reason for dishonour or non-payment;
7. Details of all dishonoured cheque payments may be forwarded to the credit bureau for processing against the consumer's credit profile.

METER TAMPERING:

1. Water metering and connection equipment remain the property of the Municipality and any person involved in the tampering with, damaging or theft thereof will be liable to criminal prosecution;
2. Where there exists *prima facie* evidence of any illegal reconnection of a supply, or the tampering therewith, the supply will be immediately terminated. Reconnection of the supply after such termination shall only be effected if the relevant penalty tariff charges has been paid and satisfactory arrangements have been made for the settlement of any outstanding arrears;
3. The detection of any further instances of tampering as envisaged herein will result in termination of the water supply and the removal of any connection equipment. Consumers in such instances will then be required to pay the full costs of a new connection together with a penalty on consumption equivalent to the average usage over the six months preceding the date of tampering together with all outstanding arrear charges before replacement of the equipment and reconnection of the supply will be considered.



M. **UNOCCUPIED PREMISES:**

1. When a consumer terminates a consumption account and no new consumer is registered the property shall be deemed to be unoccupied;
2. In such instances, a courtesy letter shall be forwarded for the attention of any actual new occupier (should there be one) and served at the premises where the supply has been rendered, requiring the new occupier within 7 (seven) days of the aforesaid letter to register with the Municipality as a consumer and detailing the registration procedures to be followed;
3. A failure by a new occupier to respond to the aforesaid letter will result in the termination/disconnection of the service supplied;
4. In such instances, the property will be linked to the registered owner's name and any basic charges in terms of the tariff shall be levied on a monthly basis and sent by ordinary mail to the most recent recorded address of the registered owner of the property for payment;
5. In the event of water consumption being recorded at a property that has been deemed unoccupied in terms hereof, every effort shall be made to establish the identity of the person responsible for the aforesaid consumption and such person shall be charged accordingly as if he or she were a consumer;
6. However, should attempts at establishing the identity of such person fail then the registered owner of the property shall be liable for any water consumed at the property.

N. **NEW DEPOSITS:**

1. All new consumers are required to pay a minimum deposit in accordance with the applicable Municipality tariff;
2. The calculation of the minimum deposit is based on a three month's estimate consumption as indicated by the consumer;
3. In respect of domestic consumers the Municipality applies four scales of tariffs to determine the deposit payable, namely:-
 - a) Scale 1: 0 – 200 litres per day;
 - b) Scale 2: 201 – 500 litres per day;
 - c) Scale 3: 501 – 750 litres per day;



d) Scale 4: 751 – 1000 litres per day.

4. The deposit amount is calculated on the following formula: $3 \times (\text{tariff} \times \text{estimated consumption plus basic charge and Value Added Tax})$;

O. **ADDITIONAL DEPOSITS:**

1. The value of the original deposit paid or any guarantees held in respect of the aforesaid deposit will be reviewed on a regular basis;
2. Upon such review the Municipality may require a consumer not previously required to pay a deposit for whatever reason, to pay a deposit on request within 10 (ten) days from the date of such request.

COMMERCIAL ACCOUNTS:

1. In these instances where commercial accounts fall into arrears, the Municipality shall require:-
 - (a) Arrears to be paid in full before water supply is re-instated
 - (b) No instalment arrangement shall be accepted for any commercial account
 - (c) In such instances deposits shall be adjusted and payable either in cash or by bank guarantee
 - (d) Reconnection fees and additional deposits must be paid in full before water supply is re-instated
2. The Municipality shall review consumption patterns whenever meter readings are received;
2. Should the amount of the deposit or guarantee held be deemed inadequate after such review, the Municipality shall send a letter requesting the payment of an additional deposit;
3. The value of any such increase in deposit shall be added to the next monthly account.

DOMESTIC ACCOUNTS:

1. In the event of the Municipality detecting an irregular and unacceptable payment pattern then the Municipality shall be entitled to review the deposit held in respect of residential consumers;
2. In the event of such review the relevant consumer shall be sent a request by the Municipality for the payment of an additional deposit;



3. The value of any such increase of the deposit as aforesaid shall be added to the consumer's next account.

FORFEITING DEPOSITS:

A deposit shall be forfeited to the Municipality if it has not been claimed within a period of 36 months from the date of termination of a service.

P. CLEARANCE CERTIFICATES:

1. Certificates are issued in terms of Section 118 of Systems Act
2. In addition to the afore going the Municipality shall require a deposit equivalent to the cost of three month's average consumption on water and sanitation charges (where applicable);

In case of a vacant stand,

3. Upon payment of the amounts referred to in 1 and 2 above, the Municipality shall issue a clearance certificate within 5 (five) working days of the request for such certificate.

Q. DEBT COLLECTION:

In terms of Water and Sanitation Municipal By-laws Part 5 (13) "arrears"

Paragraph 11

R. WATER AND SANITATION RATES:

1. Water and sanitation rates are an availability charge which is levied against properties where there is water reticulation and waterborne sanitation system in place is charged to the registered owner of the property
2. The water rates year commences on the 1st July of each year and terminates on the 30th June of the following year. Upon the declaration of the rates tariffs, these are advertised as required in terms of existing legislation;
3. Rate payers currently have the option of paying their rates on an annual basis or by monthly instalments. Monthly rates are payable over a maximum period of 10 months commencing on the 1st September of the rates year and terminating on the 30th June of the rates year;



4. Water rates accounts are posted by ordinary mail during September of each year and the final date for annual payments is the last working day of November in that year;
5. Water rates that are not paid by the final date incur a late payment penalty calculated at 1.25% per month on outstanding rates from the 1st December each year. In the event that these rates remain unpaid after the 31st January of the following year, a once-off collection charge equivalent to 10% of the rates outstanding at the time is levied; however, penalties continue to accrue on the outstanding rates due notwithstanding the once-off charge aforesaid;
6. After the final date for payment of the water rates has expired and in the event of no payment being received by the Municipality a final notice shall be despatched by registered mail to the consumer requiring the payment of the arrear amount and any penalties and interest;
7. Upon expiry of the period reflected in the final notice the Municipality shall :-
 - a) compile a schedule of all arrear rate payers;
 - b) conduct deeds offices searches in respect of ownership of property;
 - c) authorise and institute the necessary tracing action in instances where the consumer's whereabouts are unknown;
 - d) engage legal assistance for the institution of civil legal proceedings against the consumer.

S. TEMPORARY MEASURES OF ASSISTANCE:

1. The Municipality recognises that there are instances where rate payers face temporary hardships caused by personal circumstances, poor economic conditions, unemployment, temporary disablement or illness and in such instances the Municipality is willing to accommodate arrangements to settle outstanding arrears;
2. In such instances the following procedures shall apply:-
 - a) consumers may approach the Municipality for arrangements to be made for a maximum period extending up to the 30th June of the current financial year, and in exceptional circumstances, up to 1 (one) month before the final date for payment of rates in respect of the next financial year;
 - b) these arrangements envisage the consumer paying in equal instalments all outstanding amounts including any interest and collection charges that may have been levied by the Municipality;



3. Once such an arrangement has been made the consumer must sign an Acknowledgement of Debt for this purpose and should the consumer renege on this arrangement then the whole outstanding arrear amount, inclusive of penalties and interest shall become immediately due and payable and shall be subject to the normal collections procedures envisaged herein;
4. In exceptional circumstances and so as to ensure payment of the capital sums of rates due and in order to avoid the accrual of further legal costs and other charges, the Municipality may, by resolution waive the payment of any interest, penalties and/or collection charges for a maximum period of 6 (six) months calculated from the date of signature of the Acknowledgement of Debt.

Records of Approval

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INDIGENT SUPPORT POLICY

UGU DISTRICT MUNICIPALITY



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1. PREAMBLE

WHEREAS section 74 of the Local Government: Municipal Systems Act, No. 32 of 2000, requires that the Council should, in formulating a Tariff Policy for the municipality, at least take into consideration the extent of subsidisation of tariffs for poor households;

WHEREAS Council therefore needs to approve an Indigent Support Policy;

WHEREAS such policy must provide procedures and guidelines for the subsidisation of basic services and tariff charges to its indigent households; and

WHEREAS the Council has committed itself to render a basic level of services necessary to ensure an acceptable and reasonable quality of life, which takes into account health and environmental considerations;

NOW THEREFORE the Council of the Ugu Municipality has adopted the **Indigent Support Policy** set out hereunder:

2. DEFINITIONS

For the purpose of this policy, any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in this policy, and unless the context indicates otherwise –

“Act” means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended from time to time;

“Authorised Officer” means any official of the Council who has been authorised by the Council to administer, implement and enforce the provisions of this Policy;

“by-law” means a by-law adopted by the Council;

“Municipal manager” means the person appointed by the Council as the Municipal Manager of the Ugu Municipalities in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), and includes any person:

(a) Acting in such position; and

(b) to whom the Municipal Manager has delegated a power, function or duty;

“Council” means –

The Council of the Ugu Municipality established by Provincial Notice No. 1264 of Government Gazette 21807 of 28 November 2000, as amended, exercising its legislative and executive authority through the municipality; or

(a) its successor in title; or

(b) a structure or person exercising a delegated power or carrying out an instruction, where any power in these by-laws has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Act; or

(c) a service provider fulfilling a responsibility under these by-laws, assigned to it in terms of section 81(2) of the act, or any other by-law, as the case may be;

“indigent person” means a person who meets **criteria on qualification for indigent support**.

“municipality” means municipalities within Ugu District Municipality

“services” means the basic services referred to in this policy

“household” means all the people who permanently reside in the dwelling

“dwelling” means property registered in the deeds office or allocated to a family by the Traditional Authority, with an Ugu water connection



3. POLICY OBJECTIVE

The objective of the policy is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial means of Council; and
- To provide procedures and guidelines for the subsidisation of service charges and rates to its indigent households, using a portion or the whole of the Equitable Share for this purpose.
- Council also recognises that many of the residents can simply not afford to pay the required service charges and rates, and Council will endeavour to ensure affordability through:
- Setting rates and tariffs which will balance the economic viability of continued service delivery; and
- Determine appropriate service levels.

4. CRITERIA FOR QUALIFICATION FOR INDIGENT SUPPORT

- The indigent subsidy shall apply to a household¹ per dwelling² and not an individual.
- The property must be zoned residential.
- The total gross monthly income of all members of the household must not exceed two old age grants (excluding disability and child grant)
- Household's dependant on social welfare grants only may also apply.
- The applicant as well as any other member of the household shall not own other fixed property other than the one on which they reside.
- Multi unit residential - bulk users and Non Government Organizations are excluded from this policy
- Each household will receive 6kl
- *Free basic water will not be carried over. Only water consumed in that particular month will be rebated up to a maximum of 6kl.*

5. REQUIREMENTS

The following documents should be submitted together with the application form:

- Copies of identity documents for household members 18 years and above.
- Copies of birth certificates of household members younger than 18 years.
- Copies of proof of income or written affidavits confirming status of employment or circumstances from each household member 18 years and above
- Proof of ownership or occupancy e.g. Title deed or letter from ward councillor confirming occupancy status

- Where property owner or account holder is deceased, copy of the death certificate and letter from ward councillor confirming that applicant resides in the dwelling.

6. APPLICATION FOR INDIGENT SUPPORT

- The legal owner of a dwelling who is responsible for the payment of the water and sanitation services account must apply for the household to be registered as indigent.
- Application forms are available from any of the Water Services Offices within the Ugu District Municipality and can also be posted on request.

7. AVENUES FOR SUBMISSION OF APPLICATION FORMS

- Submit through Ward Councillor
- Submit personally to any of Ugu District Municipality offices

8. PROCESSING OF APPLICATION

- Each application will be given a number, registered on the Indigent
- Support application register and an Indigent Support Application card issued to the applicant for control purposes.
- The application will be processed within two weeks of receipt by Municipality in a manner prescribed by the internal processes.
- A letter informing the applicant of the status of the application will be sent to the applicant within two weeks of finalizing the application scrutiny process.
- For the purposes of transparency, on an annual basis the following key information of the recipient's indigent support shall be displayed on all Councils and notice boards of Local Municipalities.
- Names of Households benefiting from the Indigent Support
- Stand number where services are rendered to the recipients
- Any resident may query the qualification of a recipient in writing within
- Days from the date of publication of such listings.
- A report on Indigent Support shall be done to the Budget and Finance Committee quarterly

9. DURATION OF THE INDIGENT SUPPORT BENEFIT

- Indigent support is only provided for a period of 12 months, from date of approval, where after the applicant must submit Form UIS 3, confirming that its circumstances has not changed since its initial application and that it still qualifies for indigent support in terms of the latest criteria.
- The Municipality will send a written notice to the approved household, at least two months prior to expiry of the approval, but the onus still rests on the applicant or another permanent adult occupant on the property to submit Form UIS 3

10. RESPONSIBILITY OF THE INDIGENT SUPPORT APPLICANT/ BENEFICIARY

- Should, at the most, 21 days lapse without receiving any feedback regarding the application, the applicant should enquire as to the status of the application through the call centre.
- The onus is on the beneficiary to inform the Municipality of any change in his/her status or personal household circumstances that might affect their Indigent status.

11. USAGE IN EXCESS OF THE BASIC SERVICE LEVELS



- All services used in excess of the basic municipal services level shall be levied at the current scale of tariff and payable on the due date and a device will be installed to control water usage.
- If the excess account is not paid for as and when due, the services shall be restricted to the basic level and the normal credit control and debt collection policy shall be implemented.

12. WITHDRAWAL OF INDIGENT SUPPORT BY THE MUNICIPALITY

- The Indigent support shall be withdrawn by the Municipality in the event of the beneficiary misusing the system or providing incorrect information.
- In this regard the Municipality shall recover from the recipient the amount of relief furnished by debiting the beneficiary's account.
- The Municipality shall apply its credit control policy in accordance with the credit control and debt collection policy.
- The Municipality shall institute a criminal charge of fraud against the beneficiary.
- The Indigent support will cease should the form UIS 3 not be supplied to the municipality.

13. EXTENUATING CIRCUMSTANCES

- In the event of death of one of the member of the household, and where the flow has been limited, full flow will be reinstated from the day of death to the day of the funeral after which the flow shall be limited again.
- In the event of a household member suffers from a sickness requiring excessive usage of water and is under a home based care programme, such a household will be eligible to apply for additional allocation of water, approval of which is subject to the Municipality's conditions.

14. WHAT DOES THE INDIGENT SUPPORT BENEFIT COVER

On approval of the application the Municipality shall provide the following

- Basic Municipal Services which include:
 - Access to a minimum safe water supply³ as determined by Council
 - Adequate sanitation⁴ as determined by Council
 - Once off credit equivalent to the outstanding balance on the dwelling at the date of approval.
 - Where there are leaks after the meter or in the property, they may be attended to in terms of the bylaws S58 (4) (c) and the cost may be recovered from the Indigent Support allocation.
 - Cost of restriction shall be recovered from the Indigent Support allocation.
 - Excess usage in the event of death shall be recovered from the Indigent Support allocation

15. MISCELLANEOUS

- Should any circumstances not covered by this policy regarding the administration of the Indigent Support policy arise, and is urgent, it shall be referred to the General Manager, Treasury.

³ As determined in the annual municipal budget

⁴ As determined in the annual municipal budget.

16. COMMUNICATION

- From time to time the municipality will endeavour to communicate its policy adequately, so that members of the community are apprised of the existence of such a policy or any amendments that may have been done by Council.
- Structures, processes and or platforms that shall be used to communicate the benefits of the policy shall include:
 - a) The Ward Committee
 - b) The Ward Councillors
 - c) Community meetings
 - d) Budget and IDP road shows
 - e) Special events
 - f) Local media
- Any communication issued by the municipality must be coordinated by the Communications Unit or the Municipal Manager or his delegated authority.

17. SANITATION REBATE

All applications will be considered on the following basis:

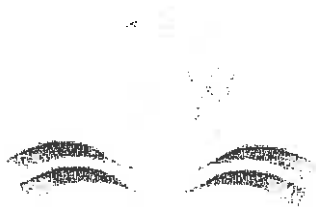
- The Sanitation Rebate subsidy will apply to a household per dwelling and not to an individual.
- Each household shall receive a rebate on the fixed sanitation basic charge as determined by Council.
- The legal owner of a dwelling who is responsible for the payment of the water and sanitation services account must apply for the household to be registered as a sanitation rebate beneficiary.
- The applicant as well as any other member of the household shall not own other fixed property other than the one on which they reside.
- The sanitation rebate shall be withdrawn by the Municipality in the event of the beneficiary misusing the system or providing incorrect information.

Records of Approval

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CASH AND INVESTMENT POLICY



UGU DISTRICT MUNICIPALITY
CASH AND INVESTMENT POLICY



CASH AND INVESTMENT POLICY

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CASH AND INVESTMENT POLICY

1. DEFINITIONS

In this investment and Cash Management Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act No. 56 of 2003 and other related legislations/Regulations, has the same meaning as in that Act.

- **Accounting Officer:** is the Municipal Manager.
- **Act:** means the Local Government: Municipal Finance Management Act No. 56 of 2003, the Local Government: Municipal Systems Act No. 32 of 2000.
- **Accounting Principles:** mean stipulated guidelines to be followed.
- **Acquisition:** means acquiring goods or services through procurement policies.
- **Agents:** mean professional bodies appointed to execute a specific task on behalf of the Ugu District Municipality.
- **Accounts:** mean statement of moneys received.
- **Assignee:** means a person with a delegated authority.
- **Bank:** means an institution recognized by the Registrar of Banks.
- **Bank Account:** is the recognized statement of financial holdings on behalf of the municipality.
- **Cash:** means money, such as bank notes and coin, or cash equivalents.
- **Chief Financial Officer:** means an official, designated by the accounting officer who is responsible for the financial affairs of the municipality.
- **Constitution of the Republic of South Africa, Act No. 108 of 1996:** means the Supreme Law of the Republic of South Africa.
- **Cash Management:** means efficient and effective management of funds.
- **Delegate:** means an official/person delegated to perform tasks on behalf of another person.
- **Delegated Authority:** means any person/persons/committee delegated with the authority to act for on behalf of Ugu District Municipality.
- **Diversification of Investments:** means investing in more, or more than one type of financial instrument.
- **Investment Ethics:** mean ethical framework within which investments must take place.
- **Liquidity:** means the ease with which financial instruments can be converted to cash or cash equivalents.
- **Municipal Entity:** means the developmental arm of the municipality established in terms of the Local Government: Municipal Finance Management Act No. 56 of 2003, in particular.
- **Municipality:** means the Ugu District Municipality.
- **Ownership:** means that all investments must be made in the name of the Ugu District Municipality.
- **Short term investment:** means a financial instrument with a lifespan or maturity of less than or equal to 1 year.
- **Long term investment:** means financial instrument with a lifespan or maturity of greater than a year.



CASH AND INVESTMENT POLICY

2. OBJECT OF THE POLICY

In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 13(2): "Each Municipal Council and Governing body shall adopt by resolution an investment policy regarding the investment of its cash resources not immediately required.

An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Competitive investment and effective cash management ensures both short term and long-term viability and sustainability of the municipality. Hence, it is critical for the Ugu District Municipality to have its own investment and cash management policy located within the local government legislative framework. This policy should be read and understood against this background.

The primary and the ultimate goal of the investment of funds is to earn the safety of returns on investment principal, an amount invested whilst managing liquidity requirements and, providing the highest return on investment at minimum risk, within the parameters of authorized instruments as per the MFMA

3. CASH MANAGEMENT

3.1 OPENING OF A BANK ACCOUNT

The CFO will ensure that the municipality opens and maintains the following minimum bank accounts:

- General Bank Account – normal municipal receipts and payments
- External Financing Fund – to record loan receipts and accumulations towards the repayment of such loans
- Capital Replacement reserve – this reserve must be cash backed at all times and therefore requires a separate bank account
- Unutilized Capital Receipts – this is to account for unutilized conditional grant monies and developer contributions, requires a separate bank account and must be cash backed.
- Consumer deposits – this is to account for consumer deposits received and must be cash backed and requires a separate bank account.

A specific account will be identified as a primary bank account and all the allocations from national, provincial and other spheres of government will be deposited into this account



CASH AND INVESTMENT POLICY

3.2 MANAGEMENT OF A BANK ACCOUNT

Only the accounting officer or his/her delegate is authorized to withdraw money from the municipality's bank account and the delegated powers shall be in accordance with limits which will be specified by the accounting officer.

The responsibility for the management of all the municipal bank accounts will be allocated by the Chief Financial Officers to the officials of the Treasury department in accordance with their job descriptions.

The Chief Financial Officer or his/her delegate will review reconciliations of all the municipal bank accounts on a monthly basis.

3.3 CASH MANAGEMENT

All monies received by the municipality must be deposited into the municipal bank account promptly.

The CFO will establish an internal control procedure for the operation and maintenance of the following process with regards to cash management:

- Receipting, and banking of and reconciliations of daily cash and cheques
- Returned cheque register
- Unallocated receipts/deposit registers

3.4 PETTY CASH

The municipality keeps petty cash floats at two of its offices, that is Treasury office and Park Rynle office.

Each petty cash float will be limited to R2 000 for the Treasury office and ~~R500~~ for the Park Rynle offices.

Each transaction of petty cash shall not exceed R2 000.

The officials who are responsible for petty cash management will be independent of all other cash functions like cashiering.

Comment [f1]: Amounts Increased to R 2 000,00

An imprest system of petty cash will be used.

4 CASH FLOW ESTIMATES

Before money can be invested, the Accounting Officer or his/her delegate must determine whether there will be surplus funds after meeting the necessary obligations.

To be able to make investments for any fixed terms; it is essential that cash flow estimates are prepared.



CASH AND INVESTMENT POLICY

The Auditor-General requires the financial institution, where the investment is made, to issue a certificate for each investment made. This certificate must state that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

5 INVESTMENT ETHICS

- The Municipal Manager and his/her delegate are responsible for the investment of funds and must ensure that there is no interference in these processes.
- Under no circumstances may he/she accept bribes into making an investment.
- No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her relationship with the said institution.
- The gift must be declared to the Municipality.

The Municipal Manager and his/her delegate must act according to their discretion and must report any serious cases of payment in kind or gifts, to the Municipal Council. Excessive gifts and hospitality should be avoided at all costs.

5.1 RISK MANAGEMENT

The preservation of principal is the foremost objective of the investment program. To attain this objective, diversification is required to ensure that the Municipal Manager or his/her nominee prudently manages risk exposure. Risk profiles should be minimized by only placing investments with institutions and instruments approved by the Public Investment Commission or the Republic of South Africa: National Minister of Finance.

5.2 PRUDENCE

Investments shall be made with care, skill, prudence and diligence. The approach must be that which a prudent person acting in a like capacity and familiar with investment matters would use in the investment of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Municipality. Investment officials are required to:

- a. Adhere to written procedures and policy guidelines.
- b. Exercise due diligence.
- c. Prepare all reports timeously.
- d. Exercise strict compliance with all legislation.

5.3 OWNERSHIP

All investments must be made in the name of the Ugu District Municipality.



CASH AND INVESTMENT POLICY

6 DELEGATION OF AUTHORITY

The delegation to authorise investments must distinguish between short term & long-term investments. The authority to make long-term investments as provision of security, is vested with the Municipal Council in terms of Section 48 of the MFMA and with reference to section 11(1) (h) of the MFMA dealing with cash management, the responsibility to make short investments lies with the Municipal Manager or Chief Financial Officer or any other senior financial officer authorised by either the Municipal Manager or the Chief Financial Officer/ relevant assignee.

The Local Government Municipal Systems Act of 2000, Section 3, (60) (2) states that the Municipal Council may only delegate to an Accounting Officer, Executive Committee, Mayor or Chief Financial Officer decisions to make investments on behalf of the municipality within a policy framework determined by the Minister of Finance.

The Chief Financial Officer is responsible for the investment of municipality's funds that are made under section 13 of the Municipal Finance Management Act.

7 INVESTMENT ISSUE PERTAINING TO MUNICIPAL COUNCIL APPROVAL

In the event that an investment that needs to be made, quotations are required from the various financial institutions. In the case of telephonic quotations, the following information is required:

- * The name of the person, who gave the quotation,
- * The relevant terms and rates and
- * Other facts such as if interest is payable on a monthly basis or on a compound basis upon maturation.

Where payments to financial institutions in respect of investments are to be effected by cheque, the following procedures must apply:

- The Manager: Equity & Accounts must complete a cheque requisition form and submit it to the Municipal Manager and the Chief Financial Officer together with the supporting quotations,
- The Municipal Manager and the Chief Financial Officer must either authorize the requisition or submit it to the Municipal Council for authorization depending on the value of the investment,
- When the Municipal Council or the Municipal Manager have authorized the requisition, the Municipal Manager and the Chief Financial Officer or their delegated signatories are required to sign the cheque and submit it to the financial institution concerned.

All investment documents must be signed by two authorized cheque signatories.

The Chief Financial Officer must ensure that a bank, insurance company or other financial institution, which at the end of a financial year holds, or at any time during a financial year held, an investment for the municipality must:



CASH AND INVESTMENT POLICY

- Within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year and
- Promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.
- Promptly disclose information of any possible or actual change in the investment portfolio, which could or will have a material adverse effect.

8 MUNICIPAL ENTITIES

The board of Directors of all municipal entities must adopt this cash management and investment policy. Further, the same municipal entities must submit reports, as detailed in the reporting and monitoring procedures, in the same manner as Ugu District Municipality, to the Mayor.

9 POLICY REVIEW

This policy must be reviewed annually and be tabled to the Municipal Council for approval.

10 INTERNAL CONTROL PROCEDURES

An investment register should be kept of all investments made. The following facts must be indicated:

Name of institution;

- Capital invested;
- Date invested;
- Interest rate; and
- Maturity date and
- Interests earned on investments.

The investment register and accounting records must be reconciled on a monthly basis.

The investment register must be examined on a fortnightly basis by the senior official under the direction of the Chief Financial Officer/ assignee as instructed, to identify investments falling due within the next two weeks. An investment plan must then be established for the next calendar month bearing in mind the cash flow requirements.



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Interest, correctly calculated, must be received timeously, together with any distributable capital. The Chief Financial Officer or his/her assignee must check that the interest is calculated correctly, in terms of sound universally accepted financial management practices.

Investment documents and certificates must be safeguarded in a fire resistant safe, with dual custody. The following documents must be safeguarded:

- Fixed deposit letter or investment certificate;
- Receipt for capital invested;
- Copy of electronic transfer or cheque requisition;
- Schedule of comparative investment figures;
- Commission certificate indicating no commission was paid on the investment; and
- Interest rate quoted.

All investment must be denominated in South African Rand (ZAR)

The Chief Financial Officer or his/her assignee is responsible for ensuring that the invested funds have been invested with financial institutions approved by the Republic of South Africa: National Minister of Finance, Public Investors Commission or with a bank rating of AA and endeavour to minimize risk exposure.

11 REPORTING AND MONITORING PROCEDURES

The Municipal Manager must within 10 days of the end of each month submit to the Mayor or Finance, Budget Control & Monitoring Committee a report describing in detail the investment and cash flow position of the municipality as at the end of the month.

The report must contain a statement, prepared in compliance with generally recognized accounting principles/generally accepted municipal accounting principles, that states the:

- beginning market value for the period
- additions and changes to the market value during the period
- ending market value for the period
- fully accrued interest/yield for the reporting period
- the credit risk rating for the institutions whose securities are held by the municipality as at beginning and end of the reporting period
- investments disposed of due to adverse changes in credit ratings
- diversification of investments
- any investments locked into a time period with an institution that has a rating that is not acceptable according to Fitch, Naspers or CA-ratings.



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12 PERMITTED INVESTMENTS

The Republic of South Africa: National Minister of Finance may identify by regulation in terms of Section 168 of the Municipal Finance Management Act instruments or investments other than those referred to below in which Municipality may invest:

- Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
- Securities issued by the National Government;
- Investments with the Public Investment Commissioners as contemplated by the Public Investment Commissions Act, 1984 (Act No. 5 of 1984);
- Listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency;
- Deposits with the corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984);
- Banker's acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990);
- Municipal Bonds issued by a Municipality
- Guaranteed endowment policies with the intention of establishing a sinking fund; and
- Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)

13 EXISTING INVESTMENTS

Current investments that were not permitted investments at the time of purchase do not have to be liquidated.

14 INVESTMENT DIVERSIFICATION

The Chief Financial Officer must ensure that available money is not invested with one institution. Investment will be restricted to institutions with a minimum credit rating of [AA].

The maximum term for any investment, may be 2 years, other than ceded investments.

15 PERFORMANCE EVALUATION



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The performance of the investment portfolio must be evaluated quarterly. The time weighted yield attributable to the investment portfolio must be calculated each quarter and compared with the prevailing returns available on securities issued by the National Government.

A report discussing the performance of the investment portfolio must be submitted to the Chief Financial Officer within 10 days of the end of each quarter.

16 USE OF INDEPENDENT INVESTMENT MANAGERS

Should the need arise to use an investment manager at any time; one will be appointed using Supply Chain Management principles and practices.

17 CASH MANAGEMENT

The Chief Financial Officer, inter-alia, has to ensure financial viability and sustainability of the municipality. In order to achieve this in a sustainable manner, the Chief Financial Officer must ensure that internal financial systems and controls are in place that will enable the Municipality to detect the mismanagement of funds.

18 UNALLOCATED RECEIPTS

All unclaimed and unidentified deposits older than three (3) years shall be publicized in a local newspaper on an annual basis and if unclaimed within the specified time frame, such monies will be transferred to sundry income.

19 PAYMENT OF CREDITORS

Due to the high bank charges with regard to cheque payments, it is essential to limit the payment of creditors to one payment per creditor per month. Should the facility be available, payments should be done by electronic transfer (subject to strict controls).

When considering the time to pay a creditor, proper consideration must be given to the conditions of credit terms of payment offered.

- In cases where a cash discount is given for early settlement, the discount, if the relevant time scale is taken into account, must in most cases be more than any investment benefit that could be received from temporarily investing the funds.
- If discounts are offered for early settlement they must be properly considered and utilized.



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Besides this, the normal conditions of credit terms of payment offered by suppliers, must also be considered and utilized to the full by paying on the due date and not earlier, provided that no worthwhile discount is available or offered.

20 BANK AND CASH IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT Act NO.56 of 2003, Chapter 3, Part 1.

- All names of bank accounts must be changed to the name of the newly created municipality,
- New bank accounts must be opened if required,
- All cheques received from the disestablished municipalities must be banked,
- All bank accounts currently held and transferred to the municipality must be accounted for in the new accounting system,
- The official responsible must ensure that the name change on the accounts has been effected,
- All bank and cash must be made in terms of the Cash Management Policy,
- Every municipality must open and maintain at least one bank account in the name of the municipality and
- All money received by a municipality must be paid into its bank account in the name of the municipality as per the abovementioned legislative framework.

21 MANAGEMENT OF STOCK

Cash management must be improved by seeing that adequate stock control is exerted over all goods kept in stock.

22 SHORT- AND LONG-TERM DEBT

A municipality may only incur debt in terms of the Municipal Finance Management Act No. 56 of 2003. The municipality may incur two types of debt, namely short-term and long-term debt.

22.1. SHORT-TERM DEBT

A municipality may incur short-term debt only when necessary to bridge:

- Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year or



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- Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

A municipality:

- Must pay off short-term debt within a financial year and
- May not renew or refinance its short-term debt.

22.2. LONG-TERM DEBT

A municipality may incur long-term debt for purposes of financing its long-term strategic objectives, as outlined in the Constitution of the Republic of South Africa, Act No. 108 of 1996, and Chapter 7 on Local Government.

- *To provide democratic and accountable government for local communities,*
- *To ensure the provision of services to communities in a sustainable manner,*
- *To promote social and economic development,*
- *To promote a safe and healthy environment and*
- *To encourage the involvement of communities and community organizations in the matters of local government.*

23. CONCLUSION

The Municipal Manager in particular and the Chief Financial Officer must ensure that the implementation of this policy is done according to the prescripts. Any deviations due to unforeseen circumstances must be brought to the attention of the Municipal Council in a written form and recommended remedial solutions thereof.



CASH AND INVESTMENT POLICY

Records of Approval

Meeting	Date	Resolution
Manco		
EXCO		
Revision 1, 2013		
BTS Task Team		
Manco		
Extended Manco		
LLF		
Corporate Services Portfolio		
EXCO		



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FIXED ASSET MANAGEMENT POLICY

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PART 1 DEFINITION OF A FIXED ASSET

A fixed asset is defined in GAMAP 17 as a tangible item of property, plant or equipment held by a municipality for use in the productions or supply of goods or services, for rental to others, or for administrative purposes, and which is expected to be used during more than one reporting period (financial year).

A fixed asset is thus an asset, either movable or immovable, under the control of the municipality, and from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year.

To be recognised as a fixed asset, an asset must also meet the criteria referred to in parts 13, 14 and 15 below.

Assets held under leases

Finance leases are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the FAR. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

PART 2 FUNCTIONAL RESPONSIBILITIES

The purpose of this section is to prescribe the responsibilities of the Municipality regarding assets as follows:

- 2.1. The Municipal Manager
- 2.2. The Treasury Section: Equity & Accounts.
- 2.3. The Budget Office
- 2.4. The Expenditure Section
- 2.5. The Supply Chain Management Section
- 2.6. Human Resources Section (HR)
- 2.7. Other Departments

2.1. The Municipal Manager

The Municipal Manager or his duly delegated representative is responsible to:

- a) Ensure implementation of the approved Asset Management Policy as required in terms of section 63 of the Municipal Finance Management Act (MFMA).
- b) Verify assets in possession of the Council annually, during the course of the financial year.
- c) Keep a complete and balanced record of all assets in possession of the Council.
- d) Report in writing all asset losses, where applicable, to Council.
- e) Ensure that assets are valued and accounted for in accordance with GRAP.

2.2 The Treasury Section: Equity & Accounts.

The Treasury Section: Equity & Accounts:

- a) Shall ensure that complete records of asset items are kept, verified and balanced regularly,
- b) Shall ensure that all departments are doing annual asset verification. The results of this verification must be reported to the Municipal Manager or Council.
- c) The asset verification report shall –
 - i. Reflect a complete list of all assets found during the verification;

- ii. Reflect whether appropriate records have been maintained reflecting what articles should have been found during verification
 - iii. Reflect any discrepancies between the articles found during verification and the record referred to in paragraph (b);
 - iv. Be submitted to the departments for comment on variances reflected
- d) Shall ensure that the Asset Register is balanced annually with the general ledger and the financial statements.
- e) Shall ensure adequate bar codes and equipment to exercise the function relating to asset control are available at all times.
- f) Provide the Auditor-General or his personnel, on request, with the financial records relating to assets belonging to Council as recorded in the Asset Register.
- g) Ensure that all audit queries are resolved in a timely manner.

2.3. The Budget Office:

The Budget Office:

- a) Shall ensure that a project is created for approved budgeted capital expenditure that clearly describes the item to be acquired. A clear description of the funding source is also required.
- b) Shall release capital funds only after receiving written authority and a clear and concise description of the item to be purchased.
- c) Shall ensure that any changes in the capital budget, with regards to funds transferred or project description changes are communicated to Treasury Section: Equity & Accounts.
- d) Shall ensure that the relevant information relating to the calculation of depreciation is obtained from the departments and provided to the Treasury Section in the prescribed format.

2.4. The Expenditure Section

The Expenditure Section:

- a) Shall ensure that invoices authorized for payment are matched to the goods received note before processing such payment.

- b) Shall if any doubt exists as to whether the invoice is in accordance with policy, query the payment with the relevant department and shall not process a payment until the invoice meets the policy criteria

2.5. The Supply Chain Management Section

2.5.1 The Supply Chain Management Section:

- a) Shall ensure that the correct material group is allocated to asset acquisitions to enable the creation of the relevant work flow message.
- b) The bid committees must comply with and be constituted in accordance with the Supply Chain Management policy.

2.5.2 Expenditure Section: (Stores)

- a) Shall ensure that, before accepting an obsolete or damaged asset or asset inventory item, a completed asset form and condemnation form, counter signed by Treasury Section: Equity & Accounts, are presented.
- b) Shall ensure that a verifiable record is kept of all obsolete, damaged and unused asset or asset inventory items received from departments.
- c) Shall compile a list of the items to be auctioned in accordance with their guidelines and the prescriptions of the Treasury Section: Equity & Accounts.
- d) Shall compile and circulate a list of unused movable assets to enable other departments to obtain items that are of use to them.
- e) Shall ensure that Budget Office is notified of any auctioning or disposing of written-off asset or asset inventory items.

2.6. Human Resources Section

Human Resources Section:

- a) Shall ensure that no monies are paid out on terminations of service without receiving the relevant asset resignation form signed off by the relevant department.
- b) Shall ensure that every asset resignation form is counter signed by the Treasury Section: Equity & Accounts before processing the termination of service.

2.7. All other Departments

All Departments:

- a) Shall ensure that employees in their departments adhere to the approved Asset Management Policies and Procedures.
- b) Shall ensure that an employee with delegated authority has been nominated to implement and maintain physical control over assets in his/her department. Budget Office must be notified of who the responsible person is. Although authority has been delegated the responsibility to ensure adequate physical control over each asset remains with the Head of Department.
- c) Shall ensure that assets are properly maintained in accordance with their respective asset maintenance policy.
- d) Shall ensure that the assets and / or inventory items of the municipality are not used for private gain.
- e) Shall ensure that they budget for adequate funds for the purchase of bar coding equipment.
- f) Shall ensure that all their movable assets as reflected on the Asset Register and the Asset Inventory Register are bar coded.
- g) Shall ensure that The Budget Office is notified of any changes in the status of the assets under the departments. This must be done on the prescribed form and include the following:
 - Movements which relate to the writing-off of and transfer of assets (inter departmental transfers).
 - Changes in the estimated useful lives of assets for depreciation purposes.
 - The identification of impairment losses on assets by following the procedures as outlined in this policy document.
- h) Shall certify in writing that they have assessed and identified impairment losses on all assets at year end.
- i) Shall ensure that a complete asset verification of all inventory and asset items is done during the course of every financial year and that the results of the verification are reported to Budget Office.
- j) Shall ensure that all obsolete and broken inventory and asset items, accompanied by the relevant asset form and attached condemnation forms, are handed in to the inventory management section without delay.

- k) Shall be responsible for maintaining and managing their own Departmental Asset Inventory Records (DIR) for items that will not be recorded in the Asset Register or Asset Inventory Register. These inventory assets are acquired via the operational budget. The information to be recorded in the DIR must include the description, quantity and location of the items.
- l) Shall ensure that the correct cost element and description are being used before authorizing any requisitions.
- m) The detailed projects as created must be categorized and clearly identified as follows:

Immovable Assets:

- Infrastructure assets
- Roads
- Buildings
- Land
- Pedestrian Malls
- Airports
- Recreational Facilities
- Security Measures
- Asset under construction (Only an asset after completion)
- Town Development
- Investment Properties

Movable Assets:

- Office Equipment
- Furniture and Fittings
- Bins and Containers
- Emergency Equipment
- Motor Vehicles
- Aircraft
- Watercraft
- Plant and Equipment
- Vehicles
- Furniture
- Plant
- Small Plant

PART 3 FORMAT OF FIXED ASSET REGISTER

The fixed asset register shall be maintained in the format determined by the chief financial officer, which format shall comply with the requirements of generally recognised accounting practice (GRAP) and generally accepted municipal accounting practice (GAMAP) and any other accounting requirements which may be prescribed.

The fixed asset register shall reflect the following information:

- a brief but meaningful description of each asset
- the date on which the asset was acquired or brought into use
- the location of the asset
- the department(s) or vote(s) within which the assets will be used
- the title deed number, in the case of fixed property
- the stand number, in the case of fixed property
- where applicable, the identification number, as determined in compliance with part 11 below
- the original cost, or the revalued amount determined in compliance with part 26 below, or the fair value if no costs are available
- the (last) revaluation date of the fixed assets subject to revaluation
- the revalued value of such fixed assets
- who did the (last) revaluation
- accumulated depreciation to date
- the depreciation charge for the current financial year
- the carrying value of the asset
- the method and rate of depreciation
- Accumulated impairment losses to date
- impairment losses incurred during the financial year (and the reversal of such losses, where applicable)
- the source of financing
- the current insurance arrangements

- whether the asset is required to perform basic municipal services
- whether the asset has been used to secure any debt, and – if so – the nature and duration of such security arrangements
- the date on which the asset is disposed of
- the disposal price
- the date on which the asset is retired from use, if not disposed of.

All heads of department under whose control any fixed asset falls shall promptly provide the chief financial officer in writing with any information required to compile the fixed asset register, and shall promptly advise the chief financial officer in writing of any material change which may occur in respect of such information.

A fixed asset shall be capitalised, that is, recorded in the fixed assets register, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, whereafter it shall be appropriately capitalised as a fixed asset.

A fixed asset shall remain in the fixed assets register for as long as it is in physical existence. The fact that a fixed asset has been fully depreciated shall not in itself be a reason for writing-off such an asset.

PART 4 CLASSIFICATION OF FIXED ASSETS

In compliance with the requirements of the National Treasury, the chief financial officer shall ensure that all fixed assets are classified under the following headings in the fixed assets register, and heads of departments shall in writing provide the chief financial officer with such information or assistance as is required to compile a proper classification:

PROPERTY, PLANT AND EQUIPMENT

- land (not held as investment assets)

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- infrastructure assets (assets which are part of a network of similar assets)
- community assets (resources contributing to the general well-being of the community)
- heritage assets (culturally significant resources)
- other assets (ordinary operational resources)

INVENTORY

- housing (rental stock or housing stock not held for capital gain)

INVESTMENT PROPERTY

- investment assets (resources held for capital or operational gain)

The chief financial officer shall adhere to the classifications indicated in the annexure on fixed asset lives (see part 33 below), and in the case of a fixed asset not appearing in the annexure shall use the classification applicable to the asset most closely comparable to the asset in question.

PART 5 INVESTMENT PROPERTY

Investment assets shall be accounted for in terms of IAS 40 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

Investment assets shall not be depreciated, but shall be annually valued on balance sheet date to determine their fair (market) value. Investment assets shall be recorded in the balance sheet at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

An expert valuer shall be engaged by the municipality to undertake such valuations unless available in-house.

If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – whereafter it shall be reclassified as an investment asset.

PART 6 FIXED ASSETS TREATED AS INVENTORY

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

PART 7 RECOGNITION OF HERITAGE ASSETS IN THE FIXED ASSET REGISTER

If no original costs or fair values are available in the case of one or more or all heritage assets, the chief financial officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For balance sheet purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

PART 8 RECOGNITION OF DONATED ASSETS

Where a fixed asset is donated to the municipality, or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the fixed asset register at its fair value, as determined by the chief financial officer.

PART 9 SAFEKEEPING OF ASSETS

Every head of department shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question.

In exercising this responsibility, every head of department shall adhere to any written directives issued by the municipal manager to the department in question, or generally to all departments, in regard to the control of or safekeeping of the municipality's fixed assets.

PART 10 IDENTIFICATION OF FIXED ASSETS

The municipal manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerised fixed asset register.

The identification system shall be determined by the municipal manager, acting in consultation with the chief financial officer and other heads of departments, and shall comply with any legal prescriptions, as well as any recommendations of the Auditor-General as indicated in the municipality's audit report(s), and shall be decided upon within the context of the municipality's budgetary and human resources.

Every head of department shall ensure that the asset identification system approved for the municipality is scrupulously applied in respect of all fixed assets controlled or used by the department in question.

PART 11 PROCEDURE IN CASE OF LOSS, THEFT, DESTRUCTION, OR IMPAIRMENT OF FIXED ASSETS

Every head of department shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the department in question is promptly reported in writing to the chief financial officer, to the internal auditor, and – in cases of suspected theft or malicious damage – also to the South African Police Service.

PART 12 CAPITALISATION CRITERIA: MATERIAL VALUE

No item with an initial cost or fair value of less than R5 000 (five thousand rand) – or such other amount as the council of the municipality may from time to time determine on the recommendation of the municipal manager – shall be recognised as a fixed asset. If the item has a cost or fair value lower than this capitalisation benchmark, it shall be treated as an ordinary operating expense.

Every head of department shall, however, ensure that any item with a value in excess of R250 (two hundred and fifty rand), and with an estimated useful life of more than one year, shall be recorded on a stocksheet. Every head of department shall moreover ensure that the existence of items recorded on such stocksheets is verified from time to time, and at least once in every financial year, and any amendments which are made to such stocksheets pursuant to such stock verifications shall be retained for audit purposes.

PART 13 CAPITALISATION CRITERIA: INTANGIBLE ITEMS

No intangible item shall be recognised as a fixed asset, except that the chief financial officer, acting in strict compliance with the criteria set out in IAS 38 (dealing with research and development expenses) may recommend to the council that specific development costs be recognised as fixed assets.

PART 14 CAPITALISATION CRITERIA: REINSTATEMENT, MAINTENANCE AND OTHER EXPENSES

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalised as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

The following matrix will assist in distinguishing capital expenditure from maintenance expenditure: -

Capital Expenditure	Maintenance
<ul style="list-style-type: none"> ▪ Acquiring a new asset ▪ Replacing an existing asset ▪ Enhancing an existing asset so that its use is expanded ▪ Further developing an existing asset so that its original useful life is extended 	<ul style="list-style-type: none"> ▪ Restoring an asset so that it can continue to be used for its intended purpose ▪ Maintaining an asset so that it can be used for the period for which it was initially intended.

PART 15 MAINTENANCE PLANS

Every head of department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the council of the municipality for approval.

If so directed by the municipal manager, the maintenance plan shall be submitted to the council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

The head of department controlling or using the infrastructure asset in question, shall annually report to the council, not later than in July, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the asset concerned.

PART 16 DEFERRED MAINTENANCE

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset (see part 16 above), the chief

financial officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the financial statements. Such note shall also indicate any plans which the council of the municipality has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the chief financial officer shall redetermine the useful operating life of the fixed asset in question, if necessary in consultation with the head of department controlling or using such asset, and shall recalculate the annual depreciation expenses accordingly.

PART 17 GENERAL MAINTENANCE OF FIXED ASSETS

Every head of department shall be directly responsible for ensuring that all assets (other than infrastructure assets which are dealt with in part 16 and part 17 above) are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

PART 18 DEPRECIATION OF FIXED ASSETS

All fixed assets, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which a fixed asset is used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed.

However, depreciation shall initially be calculated from the day following the day in which a fixed asset is acquired or – in the case of construction works and plant and machinery – the day following the day in which the fixed asset is brought into use, until the end of the calendar month concerned. Thereafter, depreciation charges shall be calculated monthly.

Each head of department, acting in consultation with the chief financial officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

PART 19 RATE OF DEPRECIATION

The chief financial officer shall assign a useful operating life to each depreciable asset recorded on the municipality's fixed asset register. In determining such a useful life the chief financial officer shall adhere to the useful lives set out in the annexure to this document (see part 33 below).

In the case of a fixed asset which is not listed in this annexure, the chief financial officer shall determine a useful operating life, if necessary in consultation with the head of department who shall control or use the fixed asset in question, and shall be guided in determining such useful life by the likely pattern in which the asset's economic benefits or service potential will be consumed.

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PART 20 METHOD OF DEPRECIATION

Except in those cases, specifically identified in part 23 below, the chief financial officer shall depreciate all depreciable assets on the straight-line method of depreciation over the assigned useful operating life of the asset in question.

PART 21 AMENDMENT OF ASSET LIVES AND DIMINUTION IN THE VALUE OF FIXED ASSETS

Only the chief financial officer may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs the chief financial officer shall inform the council of the municipality of such amendment.

The chief financial officer shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.

If the value of a fixed asset has been diminished to such an extent that it has no or a negligible further useful operating life or value such fixed asset shall be fully depreciated in the financial year in which such diminution in value occurs.

Similarly, if a fixed asset has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the fixed asset has physically ceased to exist, it shall be written off the fixed asset register.

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In all the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the fixed asset in question.

If any of the foregoing events arises in the case of a normally non-depreciable fixed asset, and such fixed asset has been capitalised at a value other than a purely nominal value, such fixed asset shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable asset, and the department or vote controlling or using the fixed asset in question shall bear the full depreciation expenses concerned.

PART 22 ALTERNATIVE METHODS OF DEPRECIATION IN SPECIFIC INSTANCES

The chief financial officer may employ the sum-of-units method of depreciation in the case of fixed assets which are physically wasted in providing economic benefits or delivering services.

The chief financial officer shall only employ this method of depreciation if the head of department controlling or using the fixed asset in question gives a written undertaking to the municipal manager to provide:

- estimates of statistical information required by the chief financial officer to prepare estimates of depreciation expenses for each financial year; and
- actual statistical information, for each financial year.

The head of department concerned shall moreover undertake to provide such statistical information at the specific times stipulated by the chief financial officer.

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Where the chief financial officer decides to employ the sum-of-units method of depreciation, and the requirements set out in the preceding paragraph have been adhered to, the chief financial officer shall inform the council of the municipality of the decision in question.

PART 23 CREATION OF NON-DISTRIBUTABLE RESERVES FOR FUTURE DEPRECIATION

The chief financial officer shall ensure that in respect of all fixed assets financed from internal loans and advances, from grants or subsidies or contributions received from other spheres of government or from the public at large, as well as in respect of fixed assets donated to the municipality, a non-distributable reserve for future depreciation is created equal in value to the capitalised value of each fixed asset in question.

The chief financial officer shall thereafter ensure that in the case of depreciable fixed assets an amount equal to the monthly depreciation expenses of the fixed asset concerned is transferred each month from such non-distributable reserve to the municipality's appropriation account. Where there is a difference between the budgeted monthly depreciation expenses and the actual total depreciation expenses for each financial year, the chief financial officer shall appropriately adjust the aggregate transfer from the non-distributable reserve for the year concerned.

PART 24 CARRYING VALUES OF FIXED ASSETS

All fixed assets shall be carried in the fixed asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation.

The only exceptions to this rule shall be revalued assets (see part 26 below) and heritage assets in respect of which no value is recorded in the fixed asset register (see part 8 above).

PART 25 REVALUATION OF FIXED ASSETS (LAND AND BUILDINGS ONLY)

Subsequent to initial recognition as an asset, an item of **land and buildings** may be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations shall be made with sufficient regularity such that the carrying amounts do not differ materially from those which would be determined using fair value at the balance sheet date.

The fair value of land and buildings will be based on their market value indicated in the valuation roll. This value will normally be determined by a professional valuer.

The revaluation of land and buildings cannot be limited to specific sets of land or buildings but shall include the entire class of property to which such an asset belongs.

Any increase as a result of a revaluation in the carrying amount will be credited to the NDR under the heading "Revaluation Surplus", however a revaluation increase shall be recognised as revenue to the extent that it reverses a revaluation decrease previously recognised as an expense. Depreciation on the re-valued amount will be charged to the income statement and a transfer will be made from the NDR to offset this depreciation in the statement of changes in equity.

Where a decrease arises such a decrease should be recognised as an expense but may be charged directly against any revaluation surplus to the extent of the balance of such a revaluation surplus.

PART 26 IMPAIRMENT LOSSES

The accounting treatment relating to impairment losses is outlined as follows in **GAMAP 17**:

The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.

Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately, unless it reverses a previous revaluation in which case it should be charged to a non-distributable reserve in accordance with GAMAP 17.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

Example:

An example of where the municipality has suffered an impairment loss is the purchase of land for an amount of R 5 000 000. The land will be utilized for new subsidized housing developments. If at year end the expectation is that the Municipality will receive only R 1000 000 by way of subsidies an impairment loss of

R 4 000 000 needs to be recognized. The recoverable amount (R 1 m) is calculated as being the larger of

- **Net Selling price** of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- **Value in use** of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Departments will identify and inform Treasury Section: Equity & Accounts of assets that:
 - Are in a state of damage at year end.
 - Are technologically obsolete at year end. This can be facilitated if departments require Treasury Section: Equity & Accounts to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The departments can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
 - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
 - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments.
- The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
- The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.
- The impairment loss needs to be accounted for by identifying the relevant funding source.

DISCLOSURE REQUIREMENTS RELATING TO IMPAIRMENT LOSSES:

All material impairment losses need to be disclosed in the notes to the income statement as a separately disclosable item. They are normally disclosed as part of the note on the amounts that are included in the calculation of the Net Surplus or Deficit for the year.

PART 27 VERIFICATION OF FIXED ASSETS

Every head of department shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the department concerned.

Every head of department shall promptly and fully report in writing to the chief financial officer in the format determined by the chief financial officer, all relevant results of such fixed asset verification, provided that each such asset verification shall be undertaken and completed as closely as possible to the

end of each financial year, and that the resultant report shall be submitted to the chief financial officer not later than 30 June of the year in question.

PART 28 ALIENATION OF FIXED ASSETS

In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy.

Every head of department shall report in writing to the chief financial officer on 31 October and 30 April of each financial year on all fixed assets controlled or used by the department concerned which such head of department wishes to alienate by public auction or public tender. The chief financial officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

The council shall delegate to the municipal manager the authority to approve the alienation of any fixed asset with a carrying value less than R5 000 (five thousand rand).

The council shall ensure that the alienation of any fixed asset with a carrying value equal to or in excess of R5 000 (five thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004 (see part 34 below).

Once the fixed assets are alienated, the chief financial officer shall delete the relevant records from the fixed asset register.

If the proceeds of the alienation are less than the carrying value recorded in the fixed asset register, such difference shall be recognised as a loss in the

income statement of the department or vote concerned. If the proceeds of the alienation, on the other hand, are more than the carrying value of the fixed asset concerned, the difference shall be recognised as a gain in the income statement of the department or vote concerned.

All gains realised on the alienation of fixed assets shall be appropriated annually to the municipality's capital replacement reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the income statement of the department or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

Transfer of fixed assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the above procedures, except that the process of alienation shall be by private treaty.

PART 29 OTHER WRITE-OFFS OF FIXED ASSETS

A fixed asset even though fully depreciated shall be written off only on the recommendation of the head of department controlling or using the asset concerned, and with the approval of the council of the municipality.

Every head of department shall report to the chief financial officer on 31 October and 30 April of each financial year on any fixed assets which such head of department wishes to have written off, stating in full the reason for such recommendation. The chief financial officer shall consolidate all such reports, and shall promptly submit a recommendation to the council of the municipality on the fixed assets to be written off.

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the chief financial officer shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned (see also part 22).

PART 30 REPLACEMENT NORMS

The municipal manager, in consultation with the chief financial officer and other heads of departments, shall formulate norms and standards for the replacement of all normal operational fixed assets. Such norms and standards shall be incorporated in a formal policy, which shall be submitted to the council of the municipality for approval. This policy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items. Such policy shall also provide for the replacement of fixed assets which are required for service delivery but which have become uneconomical to maintain.

PART 31 INSURANCE OF FIXED ASSETS

The municipal manager shall ensure that all movable fixed assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.

If the municipality operates a self-insurance reserve (assuming such reserve to be allowed), the chief financial officer shall annually determine the premiums payable by the departments or votes after having received a list of the fixed assets and insurable values of all relevant fixed assets from the heads of departments concerned.

The municipal manager shall recommend to the council of the municipality, after consulting with the chief financial officer, the basis of the insurance to be applied to each type of fixed asset: either the carrying value or the replacement value of the fixed assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the municipality.

The chief financial officer shall annually submit a report to the council of the municipality on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.

PART 32 BIOLOGICAL ASSETS

Accounting for biological assets shall take place in accordance with the requirements of IAS 41.

The chief financial officer, in consultation with the head(s) of department concerned, shall ensure that all biological assets, such as livestock and crops, are valued at 30 June each year at fair value less estimated point-of-sales costs. Such valuation shall be undertaken by a recognised valuer in the line of the biological assets concerned. Any losses on such valuation shall be debited to the department or vote concerned as an operating expense, and any increase in the valuation shall be credited to the department or vote concerned as an operating revenue.

If any biological asset is lost, stolen or destroyed, the matter – if material – shall be reported in writing by the head of department concerned in exactly the same manner as though the asset were an ordinary fixed asset.

Records of the details of biological assets shall be kept in a separate section of the fixed assets register or in a separate accounting record altogether, and such details shall reflect the information which the chief financial officer, in consultation with the head of department concerned and the internal auditor, deems necessary for accounting and control purposes.

The chief financial officer shall annually insure the municipality's biological assets, in consultation with the head(s) of department concerned, provided the council of the municipality considers such insurance desirable and affordable.

PART 33 ANNEXURE: FIXED ASSET LIVES

INFRASTRUCTURE ASSETS

The following is the list of infrastructure assets, with the estimated useful life in years indicated in brackets in each case.

* Electricity	
Power stations	(30)
Cooling towers	(30)
Transformer kiosks	(30)
Meters	(20)
Load control equipment	(20)
Switchgear	(20)
Supply and reticulation networks	(20)
Mains	(20)
* Roads	
Motorways	(15)
Other roads	(10)
Traffic islands	(10)
Traffic lights	(20)
Street lights	(25)
Overhead bridges	(30)
Stormwater drains	(20)
Bridges, subways and culverts	(30)
Car parks	(20)

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	Bus terminals	(20)
*	Water	
	Mains	(20)
	Supply and reticulation networks	(20)
	Reservoirs and storage tanks	(20)
	Meters	(15)
	Rights (that is, the right to draw water from a particular source belonging to another party)	(20)
*	Gas	
	Supply and reticulation networks	(20)
	Storage tanks	(20)
	Mains	(20)
	Meters	(20)
*	Sewerage	
	Sewer mains	(20)
	Outfall sewers	(20)
	Sewage purification works	(20)
	Sewerage pumps	(15)
	Sludge machines	(15)
*	Pedestrian malls	
	Footways	(20)
	Kerbing	(20)
	Paving	(20)
*	Airports	
	Runways	(20)
	Aprons	(20)
	Taxiways	(20)

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Airport and radio beacons	(20)
* Security measures	
Access control systems	(5)
Security systems	(5)
Security fencing	(3)

COMMUNITY ASSETS

The following is a list of community assets, showing again the assigned or estimated useful lives in years in brackets:

* Buildings and other assets	
Ambulance stations	(30)
Aquariums	(30)
Beach developments	(30)
Care centres	(30)
Cemeteries	(30)#
Civic theatres	(30)
Clinics and hospitals	(30)
Community centres	(30)
Fire stations	(30)
Game reserves and rest camps	(30)
Indoor sports	(30)
Libraries	(30)
Museums and art galleries	(30)
Parks	(30)
Public conveniences and bath houses	(30)
Recreation centres	(30)
Sports and related stadiums	(30)
Zoos	(30)

* Recreation facilities

Bowling greens	(20)
Tennis courts	(20)
Swimming pools	(20)
Golf courses	(20)
Jukskei pitches	(20)
Outdoor sports facilities	(20)
Organs (that is, pipe organs that are fixtures in a municipal hall or other centre)	(20)
Lakes and dams	(20)
Fountains	(20)
Flood lighting	(20)

Sum-of-units method of depreciation may be preferred.

HERITAGE ASSETS

The following is a list of at least some typical heritage assets encountered in the municipal environment (no asset lives are given, of course, as no ordinary depreciation will be charged against such assets):

- Museum exhibits
- Works of art (which will include paintings and sculptures)
- Public statues
- Historical buildings or other historical structures (such as war memorials)
- Historical sites (for example, an Iron Age kiln, historical battle site or site of a historical settlement)

INVESTMENT ASSETS

It is not possible to provide an exhaustive list of investment assets, as the actual list will depend very much on the local circumstances of each

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municipality. However, the following will be among the most frequently encountered:

- Office parks (which have been developed by the municipality itself or jointly between the municipality and one or more other parties) (30)
- Shopping centres (again developed along similar lines) (30)
- Housing developments (that is, developments financed and managed by the municipality itself, with the sole purpose of selling or letting such houses for profit) (30)

OTHER ASSETS

The following is a list of other assets, again showing the estimated useful life in years in brackets:

Buildings	
Abattoirs	(30)
Asphalt plant	(30)
Cable stations	(30)
Caravan parks	(30)
Compacting stations	(30)
Hostels used to accommodate the public or tourists	(30)
Hostels for municipal employees	(30)
Housing schemes	(30)
Kilns	(30)
Laboratories	(30)
Fresh produce and other markets	(30)

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	Nurseries	(30)
	Office buildings	(30)
	Old age homes	(30)
	Quarries	(30) #
	Tip sites	(30) #
	Training centres	(30)
	Transport facilities	(30)
	Workshops and depots	(30)
*	Office equipment	
	Computer hardware	(5)
	Computer software	(3-5)
	Office machines	(3-5)
	Air conditioners	(5-7)
*	Furniture and fittings	
	Chairs	(7-10)
	Tables and desks	(7-10)
	Cabinets and cupboards	(7-10)
*	Bins and containers	
	Household refuse bins	(5)
	Bulk refuse containers	(10)
*	Emergency equipment	
	Fire hoses	(5)
	Other fire-fighting equipment	(15)
	Emergency lights	(5)
*	Motor vehicles	
	Ambulances	(5-10)
	Fire engines	(20)

Buses	(15)
Trucks and light delivery vehicles	(5-7)
Ordinary motor vehicles	(5-7)
Motor cycles	(3)
Plant and equipment	
Graders	(10-15)
Tractors	(10-15)
Mechanical horses	(10-15)
Farm equipment	(5)
Lawn mowers	(2)
Compressors	(5)
Laboratory equipment	(5)
Radio equipment	(5)
Firearms	(5)
Telecommunication equipment	(5)
Cable cars	(15)
Irrigation systems	(15)
Cremators	(15)
Lathes	(15)
Filling equipment	(15)
Conveyors	(15)
Feeders	(15)
Tippers	(15)
Pulverising mills	(15)
* Other	
Aircraft	(15)
Watercraft	(15)

Sum-of-units may be preferred.

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**PART 34 ANNEXURE: PARAPHRASE OF SECTION 14 OF THE
MUNICIPAL FINANCE MANAGEMENT ACT 2003**

A municipality may not alienate any capital asset required to provide a minimum level of basic municipal services.

A municipality may alienate any other capital asset, but provided

- the council, in a meeting open to the public, has first determined that the asset is not required to provide a minimum level of basic municipal services, and
- the council has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

SUPPLY CHAIN MANAGEMENT POLICY

UGU DISTRICT MUNICIPALITY



LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Date of adoption: 23 October 2009

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of Ugu District Municipality.

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Definitions

- 1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“competitive bidding process” means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

“competitive bid” means a bid in terms of a competitive bidding process;



"final award", in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

"formal written price quotation" means quotations referred to in paragraph 12 (1) (c) of this Policy;

"in the service of the state" means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

"long term contract" means a contract with a duration period exceeding one year;

"list of accredited prospective providers" means the list of accredited prospective providers which the **municipality** must keep in terms of paragraph 14 of this policy;

"other applicable legislation" means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and
- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“the Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“the Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

“written or verbal quotations” means quotations referred to in paragraph 12(1)(b) of this Policy.

“municipality” means the Ugu District Municipality.



CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

Supply chain management policy

2. (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –

- (a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
- (b) is fair, equitable, transparent, competitive and cost effective;
- (c) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
- (d) is consistent with other applicable legislation;
- (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) This Policy applies when the municipality –

- (a) procures goods or services;
- (b) disposes of goods no longer needed;
- (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –

- (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and



- (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

Amendment of the supply chain management policy

3. (1) The municipal manager must –
- (a) at least annually review the implementation of this Policy; and
 - (b) when the municipal manager considers it necessary, submit proposals for the amendment of this Policy to the council.

(2) If the municipal manager submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –

- (a) ensure that such proposed amendments comply with the Regulations; and
- (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

Delegation of supply chain management powers and duties

4. (1) The council hereby delegates all powers and duties to the municipal manager which are necessary to enable the municipal manager –
- (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) this Policy;
 - (b) to maximise administrative and operational efficiency in the implementation of this Policy;



- (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
- (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of sub-paragraph (1).

(3) The municipal manager may not sub-delegate any supply chain management powers or duties to a person who is not an official of municipality or to a committee which is not exclusively composed of officials of the municipality.

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

Sub-delegations

5. (1) The municipal manager may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such subdelegation must be consistent with sub-paragraph (2) of this paragraph and paragraph 4 of this Policy.

(2) The power to make a final award –

- (a) above R10 million (VAT included) may not be sub-delegated by the municipal manager;
- (b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to –



- (i) Chief Financial Officer;
 - (ii) General Manager: Water Services; or
 - (iii) General Manager: Corporate Services;
- (c) not exceeding R2 million (VAT included) may be sub-delegated but only to –
- (i) Chief Financial Officer;
 - (ii) Other General Managers; or
 - (iii) the bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the municipal manager a written report containing particulars of each final award made by such official or committee during that month, including–

- (a) the amount of the award;
- (b) the name of the person to whom the award was made; and
- (c) the reason why the award was made to that person.

(4) Sub-paragraph (3) of this paragraph does not apply to procurements out of petty cash.

(5) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.



(6) No supply chain management decision-making powers may be delegated to an advisor or consultant.

Oversight role of council

6. (1) The council reserves its right to maintain oversight over the implementation of this Policy.

(2) For the purposes of such oversight the municipal manager must –

(a) (i) within 30 days of the end of each financial year, submit a report on the implementation of this policy, to the council of Ugu District Municipality; and

(ii) whenever there are serious and material problems in the implementation of this policy, immediately submit a report to the council.

(3) The municipal manager must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor.

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

Supply chain management unit

7. (1) A supply chain management unit is hereby established to implement this Policy.



(2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

Training of supply chain management officials

8. The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.



CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

Format of supply chain management system

9. This Policy provides systems for –
- (i) demand management;
 - (ii) acquisition management;
 - (iii) logistics management;
 - (iv) disposal management;
 - (v) risk management; and
 - (vi) performance management.

Part 1: Demand management

System of demand management

10. (1) The municipal manager must establish and implement an appropriate demand management system in order to ensure that the resources required by Ugu District Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

- (2) The demand management system must –
- (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
 - (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
 - (c) provide for the compilation of the required specifications to ensure that its needs are met.
 - (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.



Part 2: Acquisition management

System of acquisition management

11. (1) The municipal manager must implement the system of acquisition management set out in this Part in order to ensure –

- (a) that goods and services are procured by the municipality in accordance with authorised processes only;
- (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
- (c) that the threshold values for the different procurement processes are complied with;
- (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
- (e) that any Treasury guidelines on acquisition management are properly taken into account.

(2) When procuring goods or services contemplated in section 110(2) of the Act, the municipal manager must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -

- (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
- (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

Range of procurement processes

12. (1) Goods and services may only be procured by way of –

- (a) petty cash purchases, up to a transaction value of R2,000 (VAT included);
- (b) written quotations for procurement transactions valued over R2,000 up to R29,999 (VAT included);
- (c) formal written price quotations for procurement transactions valued over R30,000 up to R200 000 (VAT included); and



- (d) a competitive bidding process for—
- (i) procurement above a transaction value of R200 000 (VAT included); and
 - (ii) the procurement of long term contracts.

(2) The municipal manager may, in writing—

- (a) lower, but not increase, the different threshold values specified in subparagraph (1); or

- (b) direct that —

- (i) written or verbal quotations be obtained for any specific procurement transaction value lower than R2,000;
- (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30,000; or
- (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.



General preconditions for consideration of written quotations or bids

13. A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

- (a) has furnished –
 - (i) full name;
 - (ii) identification number or company or other registration number; and
 - (iii) tax reference number and VAT registration number, if any;
- (b) has submitted a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
- (c) has indicated –
 - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

Lists of accredited prospective providers

14. (1) The municipal manager must –

- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
- (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
- (c) specify the listing criteria for accredited prospective providers; and



- (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

(2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

- (3) The list must be compiled per commodity and per type of service.

Petty cash purchases

15. The conditions for procurement of goods by means of petty cash referred to in paragraph 12 (1) (a) of this Policy, are as follows –

- (a) The Chief Financial Officer may, in writing, delegate the responsibility to monitor Petty Cash purchases to the Accountant: Revenue/Income Officer.
- (b) Goods and services may only be procured by way of petty cash, up to a transaction value of R2,000 (VAT included).
- (c) A maximum of five petty cash purchases per month will be allowed for each department.
- (d) Total petty cash may not exceed R20,000.00 for each calendar month for the whole municipality.
- (e) Petty cash may only be used for the following types of expenditure: refreshments, catering, gifts, wheel puncture repairs, and other small items.
- (f) a monthly reconciliation report from the Accountant expenditure must be submitted to the Chief Financial Officer, including –
 - (i) the total amount of petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase.



Written or verbal quotations

16. The conditions for the procurement of goods or services through written or verbal quotations are as follows:

- (a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
- (b) to the extent feasible, providers must be requested to submit such quotations in writing;
- (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the municipal manager or another official designated by the municipal manager;
- (d) the municipal manager must record the names of the potential providers requested to provide such quotations with their quoted prices;
- (e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider;
- (f) and /or to apply Risk Management Policy, Delegation of Powers Authority, SCM Policy, Delegation of Powers MFMA, Petty Cash as well as Budgeting Policy.

Formal written quotations

17. (1) The conditions for the procurement of goods or services through formal written price quotations are as follows:

- (a) quotations above R2,000.00 must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;
- (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;



- (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer,
- (d) the municipal manager must record the names of the potential providers and their written quotations, and

(2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

18. The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, is as follows:

- (a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- (b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be scored on price and targeted goals points designed in terms of the Preferential Procurement Points Framework Act (PPPFA) and its regulations and Broad Base Black Economic Empowerment 2003 and be advertised for at least seven days on the website and an official notice board of Ugu District Municipality;
- (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (d) the municipal manager or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a subdelegation;
- (e) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;

- (f) acceptable offers, which are subject to the preference points system (Preferential Procurement Points Framework Act (PPPFA) and its regulations PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;
- (g) for proper record keeping and audit purposes, the following documentation must be kept by Finance and department procuring goods or services;
 - (i) the authorised purchase requisition produced by the department requiring goods and services.
 - (ii) formal written price quotations
 - (iii) the order authorised by the Chief Financial Officer.
 - (iv) formal signed delivery note submitted by the successful supplier.
 - (v) formal invoice or certificate of work performed submitted by the successful supplier.
 - (vi) goods received voucher, as prepared by expenditure: creditors section.
 - (vii) the cheque voucher prepared by the Accountant: Expenditure and authorised by the Chief Financial Officer.
 - (viii) the authorised payment cheque.
 - (ix) Any minutes of a bid resolution by the Bid Adjudication or Awarding Committee.
 - (x) Proof of authorised direct payment (cash focus) processed for each transaction

Competitive bids

19. (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

(2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of



lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

Process for competitive bidding

20. The procedures for the following stages of a competitive bidding process are as follows:

- (a) Compilation of bidding documentation as detailed in paragraph 21;
- (b) Public invitation of bids as detailed in paragraph 22;
- (c) Site meetings or briefing sessions as detailed in paragraph 22;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
- (e) Evaluation of bids as detailed in paragraph 28;
- (f) Award of contracts as detailed in paragraph 29;
- (g) Administration of contracts
 - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
- (h) Proper record keeping
 - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

Bid documentation for competitive bids

21. The criteria with which bid documentation for a competitive bidding process must –

- (a) take into account –
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;



- (b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish—
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements —
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three years;
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from Ugu District Municipality is expected to be transferred out of the Republic; and
- (e) Stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

Public invitation for competitive bids

22. (1) The procedure for the invitation of competitive bids, is as follows:
- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website



of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

- (b) The information contained in a public advertisement, must include –
- (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub-paragraph (2) of this policy;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by Ugu District Municipality; and
 - (iii) date, time and venue of any proposed site meetings or briefing sessions.;
 - (iv) statement stating that no late bid proposal will be accepted.

(2) The municipal manager may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

- (3) Bids submitted must be sealed.
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

Procedure for handling, opening and recording of bids

23. The procedures for the handling, opening and recording of bids, are as follows:

- (a) Bids–
- (i) must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and



- (iii) received after the closing time should not be considered and returned unopened immediately.
- (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
- (c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- (d) The municipal manager must –
 - (i) record in a register all bids received in time;
 - (ii) make the register available for public inspection; and
 - (iii) publish the entries in the register and the bid results on the website.

Negotiations with preferred bidders

- 24.** (1) The municipal manager may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
- (a) does not allow any preferred bidder a second or unfair opportunity;
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

Two-stage bidding process

- 25.** (1) A two-stage bidding process is allowed for –
- (a) large, complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.



(2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(3) In the second stage final technical proposals and priced bids should be invited.

Committee system for competitive bids

26. (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:

- (a) a bid specification committee;
- (b) a bid evaluation committee; and
- (c) a bid adjudication committee;

(2) The municipal manager appoints the members of each committee, taking into account section 117 of the Act; and

(3) A neutral or independent observer, appointed by the municipal manager, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

(4) The committee system must be consistent with –

- (a) paragraph 27, 28 and 29 of this Policy; and
- (b) any other applicable legislation.

(5) The municipal manager may apply the committee system to formal written price quotations.

Bid specification committees

27. (1) A bid specification committee must compile the specifications for each procurement of goods or services by the municipality.



(2) Specifications –

- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
- (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
- (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
- (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
- (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "equivalent";
- (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and
- (g) must be approved by the municipal manager prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.

(3) A bid specification committee must be composed of:

- (a) two officials of the municipality who must serve as standing members; one from the Supply Chain Management Unit who will chair and the other from Technical Services.
- (b) an official to be co-opted from the end user department preferably a manager and a knowledgeable official responsible for the function involved;



- (c) co-opted external specialised expert.
- (d) must be appointed in writing for a period of 12 months which is in line with the financial year end of the municipality, subject to the annual reviewal of this policy;
- (e) the quorum must be equal to 50% of the number of permanent (as opposed to co-opted) committee members, plus one member.

(4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

Bid evaluation committees

28. (1) A bid evaluation committee must –

- (a) evaluate bids in accordance with –
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of paragraph 27(2)(f).
- (b) evaluate each bidder's ability to execute the contract;
- (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
- (d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

(2) A bid evaluation committee must as far as possible be composed of -



- (a) two officials of the municipality who must serve as standing members; one from the Supply Chain Management Unit who will Chair and the other from Technical Services.
- (b) an official to be co-opted from end user department preferably a manager and a knowledgeable official responsible for the function involved ;
- (c) co- opted external specialised expert;
- (d) must be appointed for a period of 12 months which is in line with the financial year end of the municipality, subject to the annual reviewal of this policy
- (e) the quorum must be equal to 50% of the number of permanent (as opposed to co-opted) committee members, plus one member.

Bid adjudication committees

29. (1) A bid adjudication committee must –

- (a) consider the report and recommendations of the bid evaluation committee; and
- (b) either –
 - (i) depending on its delegations, make a final award or a recommendation to the municipal manager to make the final award; or
 - (ii) make another recommendation to the municipal manager how to proceed with the relevant procurement.

(2) A bid adjudication committee must consist of at least four senior managers of the municipality which must include –



- (a) Chief financial Officer
- (b) Manager: Corporate Services
- (c) Executive Manager: Technical Services
- (d) Manager: Human Resources /or any senior manager
- (e) co-opted external specialised expert.
- (f) the quorum must be equal to 50% of the number of permanent (as opposed to co-opted) committee members, plus one member.

(3) The municipal manager must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

(5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
- (ii) notify the municipal manager.

(b) The municipal manager may –

- (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and



- (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The municipal manager may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(7) The municipal manager must comply with section 114 of the Act within 10 working days

Procurement of banking services

30. (1) A contract for banking services –

- (a) must be procured through competitive bids;
- (b) must be consistent with section 7 or 85 of the Act; and
- (c) may not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).



Procurement of IT related goods or services

31. (1) The municipal manager may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

(3) The accounting officer must notify SITA together with a motivation of the IT needs if –

- (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
- (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

(4) If SITA comments on the submission and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

Procurement of goods and services under contracts secured by other organs of state

32. (1) The municipal manager may procure goods or services under a contract secured by another organ of state, but only if –

- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
- (b) there is no reason to believe that such contract was not validly procured;
- (c) there are demonstrable discounts or benefits to do so; and
- (d) that other organ of state and the provider have consented to such procurement in writing.

(2) Subparagraphs (1)(c) and (d) do not apply if –



- (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
- (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

Procurement of goods necessitating special safety arrangements

33. (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

Proudly SA Campaign

34. Ugu District Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- Firstly – suppliers and businesses within the municipality or district;
- Secondly – suppliers and businesses within the relevant province;
- Thirdly – suppliers and businesses within the Republic.

Appointment of consultants

35. (1) The municipal manager may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

- (2) Consultancy services must be procured through competitive bids if
- (a) the value of the contract exceeds R200 000 (VAT included); or
 - (b) the duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

- (a) all consultancy services provided to an organ of state in the last five years; and
- (b) any similar consultancy services provided to an organ of state in the last five years.

(4) The municipal manager must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

Deviation from, and ratification of minor breaches of, procurement processes

36. (1) The municipal manager may –

- (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos and/or nature and game reserves; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.



(2) The municipal manager must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

Unsolicited bids

37. (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The municipal manager may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- (c) the person who made the bid is the sole provider of the product or service; and
- (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(3) If the municipal manager decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

- (a) reasons as to why the bid should not be open to other competitors;
- (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
- (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.



(4) The municipal manager must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must take into account –

- (a) any comments submitted by the public; and
- (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the municipal manager must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing Ugu District Municipality to the bid may be entered into or signed within 30 days of the submission.

Combating of abuse of supply chain management system

38. (1) The municipal manager must–

- (a) take all reasonable steps to prevent abuse of the supply chain management system;



- (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
- (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
- (f) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (g) reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;



- (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
- (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

(2) The municipal manager must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

Part 3: Logistics, Disposal, Risk and Performance Management

Logistics management

39. The municipal manager must establish and implement an effective system of logistics management, which must include -

- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;



- (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Disposal management

40. (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows:

- (i) An obsolescence plan must be determined for each asset to ensure that when the asset can no longer be maintained or used for its original purpose, that there is a plan to replace it.
- (ii) A renewal plan must be determined for assets that have reached the end of its useful life.
- (iii) Asset disposal decisions must be made within an integrated, service and financial planning framework.

- (2) Assets may be disposed of by –
 - (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (iii) selling the asset; or
 - (iv) destroying the asset.

(3) Ugu District Municipality must establish a disposal strategy to determine the best mechanism of disposal for each asset and the municipal manager must ensure that –

- (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

Risk management

41. (1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows:

- (a) risk management aspect must be allocated to the Chief Financial Officer, the SCM practitioners, the internal audit function and the Audit Committee, each of which shall ultimately be accountable to the Municipal Manager or the Council for the discharge of their



responsibilities.

(2) Risk management must include –

- (a) the identification of risks on a case-by-case basis;
- (b) the allocation of risks to the party best suited to manage such risks;
- (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

Performance management

42. The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

Part 4: Other matters

Prohibition on awards to persons whose tax matters are not in order

43. (1) No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the municipal manager must first check with SARS whether that person's tax matters are in order.



(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

Prohibition on awards to persons in the service of the state

44. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

- (a) who is in the service of the state;
- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) a person who is an advisor or consultant contracted with Ugu District Municipality.

Awards to close family members of persons in the service of the state

45. The municipal manager must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2,000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

Ethical standards

46. (1) A code of ethical standards as set out in the *"National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management"* is hereby established for officials and other role players in the supply chain management system of the municipality in order to promote-

- (a) mutual trust and respect; and



- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) A breach of the code of ethics must be dealt with as follows -

- (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
- (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

Inducements, rewards, gifts and favours to municipalities, officials and other role players

47. (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

- (a) any inducement or reward to Ugu District Municipality for or in connection with the award of a contract; or
- (b) any reward, gift, favour or hospitality to –
 - (i) any official; or
 - (ii) any other role player involved in the implementation of this Policy.

(2) The municipal manager must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

- (3) Subparagraph (1) does not apply to gifts less than R350 in value.



Sponsorships

48. The municipal manager must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- (a) a provider or prospective provider of goods or services; or
- (b) a recipient or prospective recipient of goods disposed or to be disposed.

Objections and complaints

49. Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action –

- (a) if the objection or complaint is against the procurement process, submit a written objection or complaint against the decision or action to the accounting officer of the municipality who shall, in turn, within 24 hours refer the written objection or complaint to the independent and impartial person referred to in paragraph 50 for resolution or
- (b) if such complaint or objection is against the award of a bid, lodge a written appeal with the Municipal Bid Appeals Tribunal in accordance with the provisions of paragraph 50A.

Resolution of objections and complaints against procurement process

50. (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes to assist in the resolution of objections and complaints between the municipality and any other person regarding -

- (a) the implementation of the procurement process in terms of the supply chain management system; or
- (b) any matter arising from the implementation of the procurement process in terms of the supply chain management system.



(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must –

- (a) strive to resolve promptly all objections and complaints received; and
- (b) submit monthly reports to the accounting officer on all such objections and complaints received, attended to or resolved.

(4) If the independent and impartial person referred to in paragraph 50.1, is of the view that a matter which should be dealt with in terms of paragraph 50A, he or she shall forthwith refer the matter to the Municipal Bid Tribunals and that Tribunal shall then hear and determine the matter in accordance with the provisions of paragraph 50A.

(5) An objection or complaint may be referred to the KwaZulu-Natal Provincial Treasury if:

- (a) the objection or complaint is not resolved within 60 days; or
- (b) no response is forthcoming within 60 days.

(6) If the Provincial Treasury does not or cannot resolve the matter, the objection or complaint may be referred to the National Treasury for resolution.

50A. Municipal Bid Appeals Tribunal

(1) The council shall establish a Municipal Bid Appeals Tribunal for its area of jurisdiction to hear and determine an appeal against the award of a bid.



(2) The accounting officer of the municipality, in consultation with the Provincial Treasury, shall appoint the Chairperson, Deputy Chairperson and Members of the Municipal Bid Appeals Tribunal.

(3) The powers, duties and functions of the Municipal Bid Appeals Tribunal, and matters incidental thereto, are set out in the Rules which are appended to this Supply Chain Management Policy and marked Appendix A.

(4) The administrative and secretarial work involved in the performance of the duties and functions of the Municipal Bid Appeals Tribunal shall be performed by officers of the Provincial Treasury as set out in the Rules referred to in paragraph 50A.3.

(5) There shall be no further appeal against a decision of the Municipal Bid Appeals Tribunal.

Contracts providing for compensation based on turnover

51. If a service provider acts on behalf of Ugu District Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Ugu District Municipality must stipulate –

- (a) a cap on the compensation payable to the service provider; and
- (b) that such compensation must be performance based.

CALCULATION OF THE PREFERENT POINT SYSTEM

52. The 80/20 or 90/10 Preference Point System

Preference point systems



- (a) The 80/20 preference point system is applicable to bids* with a Rand value equal to, or above R30 000 and up to a Rand value of R1 million (all applicable taxes included). Institutions may apply the 80/20 preference point system to price quotations with a value less than R30 000 if and when appropriate.
- (b) The 90/10 preference point system is applicable to bids with a Rand value above R1 million (all applicable taxes included).

Calculation of points for price

The PPPFA prescribes that the lowest acceptable bid will score 80 or 90 points for price. Bidders that quoted higher prices will score lower points for price on a pro-rata basis.

The formulae to be utilised in calculating points scored for price are as follows:

80/20 Preference point system [(for acquisition of services, works or goods up to a Rand value of R1million) (all applicable taxes included)]

$$P_s = 80(1 - \frac{P_t - P_{min}}{P_t})$$

Where

P_s = Points scored for comparative price of bid or offer under consideration

P_t = Comparative price of bid or offer under consideration

P_{min} = Comparative price of lowest acceptable bid or offer.

Preference point system [(for acquisition of services, works or goods with a Rand value above R1million) (all applicable taxes included)]

$$P_s = 90(1 - \frac{P_t - P_{min}}{P_t})$$

Where

P_s = Points scored for comparative price of bid or offer under consideration

P_t = Comparative price of bid or offer under consideration



P_{min} = Comparative price of lowest acceptable bid or offer.

Points scored must be rounded off to the nearest 2 decimal places.

Calculation of points for B-BBEE status level of contributor

Points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

A bid must not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor. Such a bidder will score zero (0) out of a maximum of 10 or 20 points respectively for B-BBEE.

Calculation of total points scored for price and B-BBEE status level of contribution

The points scored for price must be added to the points scored for B-BBEE status level of contribution to obtain the bidder's total points scored out of 100.

EVALUATION OF BIDS THAT SCORED EQUAL POINTS

In the event that two or more bids have scored equal total points, the successful bid must be the one that scored the highest points for B-BBEE.

If two or more bids have equal points, including equal preference points for BBEE, the successful bid must be the one scoring the highest score for functionality, if functionality is part of the evaluation process.

In the event that two or more bids are equal in all respects, the award must be decided by the drawing of lots.

CANCELLATION AND RE-INVITATION OF BIDS

- (a) In the application of the 80/20 preference point system, if **all** bids received exceed R1 000 000, the bid must be cancelled. If one or more of the acceptable bid(s) received are within the R1 000 000 threshold, all bids received must be evaluated on the 80/20 preference point system.
 - (b) In the application of the 90/10 preference point system, if **all** bids received are equal to or below R1 000 000, the bid must be cancelled. If one or more of the acceptable bid(s) received are above the R1 000 000 threshold, all bids received must be evaluated on the 90/10 preference point system.
 - (c) If a bid was cancelled in terms of paragraph (a) or (b), the correct preference point system must be stipulated in the bid documents of the re-invited bid.
- An AO may, prior to the award of a bid, cancel the bid if:
- (a) Due to changed circumstances, there is no longer a need for the services, works or goods requested. [AOs / AAs must ensure that only goods, services or works that are required to fulfill the needs of the institution are procured]; or
 - (b) Funds are no longer available to cover the total envisaged expenditure. [AO has to ensure that the budgetary provisions exist]; or
 - (c) No acceptable bids are received. [If all bids received are rejected, the institution must review the reasons justifying the rejection and consider making revisions to the specific conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids].



AWARD OF CONTRACTS

- (a) A contract must be awarded to the bidder who scored the highest total number of points in terms of the preference point systems.
- (b) In exceptional circumstances a contract may, on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest number of points. The reasons for such a decision must be approved and recorded for audit purposes and must be defensible in a court of law.

Commencement

This Policy takes effect on [/ /]

Meeting	Date	Resolution
Top Management		
EXCO		
Revision 1		
Management Committee		
Extended Management Committee		
LLF		
Corporate Services Portfolio		
EXCO		



XX POLICY

BORROWING POLICY **UGU DISTRICT MUNICIPALITY**



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1. Purpose

The purpose of this policy is to establish a borrowing framework for the Municipality and to set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds, in order to:

- 1.1. Manage interest rate and credit risk exposure;
- 1.2. Maintain debt within specified limits and ensure adequate provision for the repayment of debt;
- 1.3. ensure compliance with all Legislation and Council policy governing borrowing of funds.

2. Legislative Framework

All borrowings made by the Municipality shall be subject to the requirements of the Local Government: Municipal Finance Act, 2003 ("the MFMA") and the Municipal Regulations on Debt Disclosure ("the Disclosure Regulations") made there under and published under Government Notice R 492 in Government Gazette 29966 of 15 June 2007.

3. Definitions

Any word or expression used in this policy shall, unless the context clearly requires a different interpretation, bear the same meaning attached to it in the MFMA or the Disclosure Regulations, as the case may be; provided that if there is any conflict between a definition contained in the MFMA and a definition contained in the Disclosure Regulations, then the definition contained in the MFMA shall prevail.

4. Types of Debt

- 4.1. This policy applies to the debt incurred by the Municipality through the issue of municipal debt instruments or in any other way.
- 4.2. Without derogating from the generality of the preceding subparagraph, this policy will apply:
 - 4.2.1. To any debt, whether short -term or long term;



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- 4.2.2. To any debt incurred pursuant to any financing agreement, which includes any of the following agreements under which the Municipality undertakes to repay a long-term debt over a period of time:
- 4.2.2.1. Loan agreements;
 - 4.2.2.2. Leases;
 - 4.2.2.3. Instalment purchase contracts;
 - 4.2.2.4. Hire purchase arrangements;
- 4.2.3. To any debt created by the issuance of municipal debt instruments, including:
- 4.2.3.1. Any note;
 - 4.2.3.2. Bond; or
 - 4.2.3.3. Debenture; and
- 4.2.4. To any contingent liability such as that created by guaranteeing a monetary liability or obligation of another.

5. Principles Guiding Borrowing Practices

The following principle shall guide the borrowing practices of the Municipality, namely:

- 5.1. Risk Management: The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure;
- 5.2. Cost of Borrowings : The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation;
- 5.3. Prudence: Borrowings shall be made with care, skill, prudence and diligence. To this end, officials of the Municipality are required to:
- 5.3.1. adhere to this policy, and other procedures and guidelines;
 - 5.3.2. exercise due diligence;
 - 5.3.3. prepare all reports in a timely fashion;
 - 5.3.4. ensure strict compliance with all Legislation and Council policy.



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6. Factors to be taken into account when borrowing

- 6.1. The Municipality shall take into account the following factors when deciding whether to incur debt:
- 6.1.1. the type and extent of benefits to be obtained from the borrowing;
 - 6.1.2. the length of time the benefits will be received;
 - 6.1.3. beneficiaries of the acquisition or development financed by the debt;
 - 6.1.4. the impact of interest and redemption payments on both current and forecast income;
 - 6.1.5. the current and future capacity of the Municipality's revenue base to pay for borrowings;
 - 6.1.6. other current and projected sources of funds;
 - 6.1.7. likely movements in interest rates for variable rate borrowings;
 - 6.1.8. competing demands for funds;
 - 6.1.9. timing of money market interest rate movements and the long term rates on the interest rate curve.
- 6.2. The Municipality will, in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges.

7. Sources of Borrowings

- 7.1. Subject to any particular determination of the Council of the Municipality, the Municipality may enter into financing agreements with:
- 7.1.1. Registered South African Banks;
 - 7.1.2. The Development Bank of Southern Africa;
 - 7.1.3. Vendors of goods acquired under instalment purchase contracts or hire purchase arrangements;
- 7.2. Unless the Council of the Municipality specifically determines otherwise, the Municipality shall not incur any debt by the issuance of any municipal debt instruments.

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8. Short-term Debt

8.1. The Municipality may incur short –term debt only in accordance with and in the circumstances contemplated in Section 45 of the MFMA.

8.2. In particular, the provisions of section 45 (1) of the MFMA must be noted, these requiring that the Municipality may incur short –term debt only when necessary to bridge:

8.2.1. Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or

8.2.2. Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

8.3. Furthermore, as required by section 45 (4) of the MFMA, the Municipality must pay off short term debt within the financial year.

9. Overdraft Facility

9.1. Overdraft facilities are regulated by Section 45(3) of the MFMA.

10. Long Term Debt

10.1. The Municipality may incur long-term debt only in accordance with and in the circumstances contemplated in Section 46 of the MFMA.

10.2. Long-term debt may be incurred only for the purposes contemplated in Section 46(1) of the MFMA, namely:

10.2.1. Capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government, as set out in Section 152 of the Constitution; or

10.2.2. Re-financing existing long term debt, subject to section 46(5).



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11. Council approval

Sections 45(2) and 46(2) require that short-term debt and long-term debt respectively may be incurred only if:

- 11.1. A resolution of the Council, signed by the Mayor, has approved the debt agreement;
- 11.2. The accounting officer has signed the agreement or other document which creates or acknowledges the debt.

12. Refinancing

- 12.1. Short-term debt may not be renewed or refinanced where that would have the effect of extending the short-term debt into a new financial year.
- 12.2. The Municipality may borrow in order to refinance long-term debt subject to the conditions contained in Section 46(5) of the MFMA.

13. Early repayment of loans

- 13.1. No loans will be repaid before due date unless there is a financial benefit to the Municipality.
- 13.2. The Municipality shall therefore assess the nature and extent of any benefits of early repayment before it makes any such early repayment.
- 13.3. Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the assessment.

14. Debt Repayment Period

- 14.1. As far as is practical, cognisance must be taken of the useful lives of the underlying assets to be financed by the debt for purposes of determining the duration of the debt.



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- 14.2. Should it be established that it is cost effective to borrow the funds for a duration shorter than that of the life of the asset; the Municipality should endeavour to negotiate terms for the loan agreement on a shorter duration.

15. Provision for Redemption of Loans

- 15.1. The Municipality may set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet payment on the maturity date of the loan.
- 15.2. Such sinking funds may be invested directly with the Lender's Bank.
- 15.3. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

16. Non-Repayment or Non-Servicing of Loan

- 16.1. The Municipality must honour all its loan obligations.
- 16.2. Failure to effect prompt payment may jeopardise the Municipality's credit rating and adversely affect the ability of the Municipality to raise loans in the future loans at favourable interest rates.
- 16.3. In addition to ensuring the timely payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements, including, in particular, the following where applicable:
- 16.3.1. furnishing audited annual financial statements;
 - 16.3.2. maintaining long-term credit rating;
 - 16.3.3. reporting of material changes in financial position of the Municipality.



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17. Borrowing for Investment Prohibited

The Municipality shall not under any circumstances borrow funds for the purposes of investing them.

18. Front-Loading Prohibited

~~The Municipality shall not under any circumstances borrow funds.~~ (shall only under the following specific conditions borrow funds) for the purposes of funding grant funded projects in advance and use future grants as security for the repayment of such advances: [

Approval from Grantor, inclusive of undertaking in writing that such approval will not, in any way, diminish the chances of the Municipality qualifying for such grant.

Resolution of Council approval

Conclusion of Agreement, to which Municipality, Grantor and relevant Treasury are Parties.

Comment [f1]: Added during 2015 review.

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19. Security

19.1. Section 48 of the MFMA provides that the Municipality may provide security for any of its debt obligations in any of the forms referred to in Section 48(2).

19.2. Such security shall be given only pursuant to a resolution of the Council, which resolution must comply with the provisions of Section 48(3), (4) and (5) of the MFMA.

20. Disclosure

20.1. Section 49 of the MFMA requires that any person involved in the borrowing of money by a municipality must, when interfacing with a prospective lender or when preparing documentation for consideration by a prospective investor Any Official involved in the securing of loans by the Municipality must, when interacting disclose all relevant information in that persons possession or within that person's knowledge that may be

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material to the decision of that lender or investor, and take reasonable care to ensure the accuracy of any information disclosed.

20.2. In addition the Disclosure Regulations establish detailed requirements for the disclosure of information to prospective lenders and investors. Regulations 2, 3, 4, 5. [], 15, 16 and 17 are of particular importance to the Municipality, given the nature of the borrowings which it intends to make.

21. Guarantees

The Municipality may issues guarantees only in accordance with the provisions of Section 50 of the MFMA.

22. Internal Control

The accounting officer shall ensure that mechanisms, procedures and systems are put in place to ensure that:

- 22.1. Duties are separated in order to prevent fraud, collusion and other misconduct;
- 22.2. loan agreements and contracts are kept in proper safe custody;
- 22.3. there is a clear delegation of duties relating to the borrowing process;
- 22.4. senior officials check and verify all transactions;
- 22.5. transactions and repayments are properly documented;
- 22.6. a Code of ethics and standards is established and adhered to;
- 22.7. procedures relating to the borrowing process are established.

23. National Treasury Reporting and Monitoring Requirements



XX POLICY

The Municipality shall promptly submit all returns and reports relating to borrowings as required by National Treasury, including reports on the Municipality's external interest paid each month, and the quarterly itemization of all of its external borrowings.

24. Other Reporting and Monitoring Requirements

24.1. The Municipality shall on a monthly basis perform the following control and reporting functions relevant to borrowings:

- 24.1.1. Reconciliation of bank accounts;
- 24.1.2. Payment requisition verification and authorization;
- 24.1.3. Completion of South African Reserve Bank returns;
- 24.1.4. Maintain schedule of payment dates and amounts;
- 24.1.5. Complete National Treasury Cash Flow returns;
- 24.1.6. Submission of particulars of borrowings as required by Section 71 of MFMA;
- 24.1.7. Perform analysis of ratios;
- 24.1.8. Scrutinise loan agreements to ensure compliance with loan covenants.

24.2. The Municipality shall on a quarterly basis perform the following control and reporting functions relevant to borrowings:

- 24.2.1. Submit National Treasury Borrowings return
- 24.2.2. Prepare debt schedules for reporting to the Executive Committee.

25. Related Policies

This policy must be read in conjunction with the following other policies of the Municipality:

- 25.1. Budget Process Policy;
- 25.2. Cash Management and Investment Policy;



XX POLICY**26. Municipal Manager to Implement Policy**

The Municipal Manager, as accounting officer of the Municipality, shall be responsible for implementing this policy, provided that he or she may delegate in writing any of his or her powers under this policy to any other official of the Municipality.

27. Commencement

This policy shall come into force on { }.



XX POLICY

28. Records of Approval

Meeting	Date	Resolution
Top Management		
EXCO		
Revision 1		
BTS Task Team		
Top Management		
Extended Top Management		
LLF		
Corporate Services Portfolio		
EXCO		



Ugu District Municipality

CUSTOMER SERVICE CHARTER

SERVICE STANDARDS

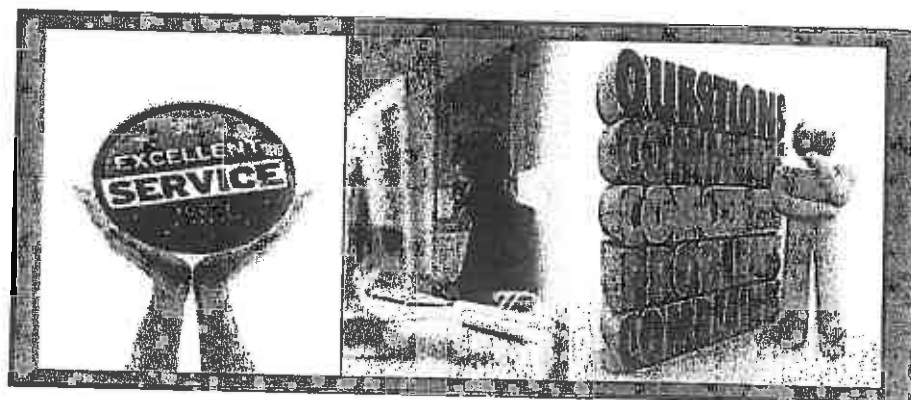


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1. INTRODUCTION

1.1 VISION

A place where everyone benefits equally from socio-economic opportunities and services.

1.2 MISSION

To provide quality drinking and access to sanitation. Create an enabling environment for social and economic development. Ensure community participation and coordinate public and private players.

1.3 SERVICE EXCELLENCE

All employees of Ugu work towards service excellence. We will, at all times, perform our duties to the best of our abilities. Our conduct will bear the mark of professionalism and serve as proof of our commitment to service excellence

1.4 COMMITMENT OF ROLEPLAYER

In pursuit of our vision; guided by Batho Pele Principles; we pledge to transform Ugu DM and deliver services to the communities by:

- Consulting customers and stakeholders every time;
- Publishing our service standards annually;
- Being open and transparent to our customers and stakeholders;
- Treating our customers courteously at all times;
- Providing accurate information to the public;
- Ensuring our customers have access to all our services;
- Redress where we acted below our promised standards;
- Providing best value formoney in compliance to our mission;
- Encouraginginnovation and rewarding excellence for improved service delivery;
- Providing leadership to implement the set strategic direction of the Municipality;
- Measuring our service deliveryimpactto give feedback to our customers and stakeholders.

2. VALUES AND PRINCIPLES

2.1 PLAN FOR THE FUTURE 2014 - 2019: STRATEGIC OUTCOMES

The Customer Service Charter is an integral part of the strategic outlook of the Ugu District Municipality. It ensures a continued focus upon effective and efficient delivery of services to all customers, both external and internal.

2.2 CUSTOMER CARE VALUES

The Ugu District Municipality works within a framework of five organisational values –

2.2.1 RESPECT

- Treat others with consideration, courtesy and honesty,
- Encourage and acknowledge effort and initiative,
- Believe in the ability of others,
- Recognise and acknowledge diversity and equal employment principles.

2.2.2 OPENNESS

- Share information and ideas,
- Listen and provide feedback in a positive manner,
- Only talk positively about others,
- Take responsibility for own actions.

2.2.3 TEAMWORK

- Work as a team and assist each other for the betterment of the Municipality, its residents and visitors,
- Provide a high level of customer service.

2.2.4 LEADERSHIP

- Involve employees and community in decision-making,
- Communicate plans and objectives,
- Encourage learning and personal development,
- Lead by example.

2.2.5 EXCELLENCE

- Strive to learn,
- Actively seek and evaluate new ways of doing things.

2.3 CUSTOMER FOCUS

Staff of the Ugu District Municipality are committed to:

- Respecting the diversity of our community,
- Being fair and accountable in our service delivery,
- Being transparent in our decision making,
- Working with our customers to understand and respond to their needs both now and in the future,
- Providing opportunities for community engagement,
- Striving for excellence in all that we do,
- Focusing our improvement efforts on better service for our customers.

3. UGU MUNICIPALITY SERVICE STANDARDS

We are committed in delivering Services by abiding to the following categories of Service Standards

- **Main Departmental Service standards**, which are based on the core services rendered by the municipality for your benefit
- **Operational Service standards**, based on our day to day activities which affect you on regular basis
- **Generic Customer Care Service standards**, which explain our general conduct towards you on specific soft issues

3.1 MAIN DEPARTMENTAL STANDARDS

MAIN DEPARTMENTAL SERVICES

SERVICE STANDARDS

OFFICE OF THE MUNICIPAL MANAGER	<ul style="list-style-type: none"> - The Municipality shall ensure functional Inter Governmental Structures within the District - The Municipality shall provide support to its Local Municipalities to ensure all Ward Committees are fully functional - The Municipality shall ensure that it is compliant with all legislation and regulations pertaining to its operations - - The municipality will develop and review a credible IDP each year, supported by a sound Performance Management System - The Municipality shall ensure that the Audit functions are carried out in a transparent and ethical manner - Water Services Authority shall ensure that transparent Tariff structure are published prior to adoption - There will be a reward system for all individuals and teams to recognise their excellence of service
COPORATE SERVICES: HUMAN RESOURCES	<ul style="list-style-type: none"> - All supervisors shall, through attendance registers, do inspection; ensure that working hours are kept as per the HR policy. - All employees shall be provided with name tags and offices shall have identifiable door-signs - Supervisors shall always be available for staff debriefing, supervision and appraisal. - There will be a reward system for all individuals and teams to recognise their excellence of service
TREASURY: REVENUE MANAGEMENT	<ul style="list-style-type: none"> - Customers shall receive 100% accurate billing statements. - Water disconnection of defaulting customers will be done after 3 reminders. - An SMS or letter of recognition shall be sent to customers who have not defaulted in their accounts payment. - The revenue collection rate shall not be less than 90%. - There will be a reward system for all individuals and teams to recognise their excellence of service.
LOCAL ECONOMIC DEVELOPMENT & ENVIRONMENTAL SERVICES	<ul style="list-style-type: none"> - There will be 100% compliance with air quality legislation. - The standard operation procedure will always be used to guide the implementation of policies. - Health and Environmental Services management will always keep an open door policy to encourage communication and also enhance progress and innovation. - There will be a reward system for all individuals and teams to recognise their excellence of service

WATER AND SANITATION SERVICES	<ul style="list-style-type: none"> - Interrupted water supply shall be restored within 48 hrs. - - There will be a reward system for all individuals and teams to recognise their excellence of service. - Ugu DM shall strive to improve and maintain the blue drop and green drop certification
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3.2 OPERATIONAL SERVICE STANDARDS

3.2.1 WATER AND SANITATION

OPERATIONAL SERVICE	SERVICE STANDARDS
<ul style="list-style-type: none"> • New connections 	<ul style="list-style-type: none"> • <u>90</u> working days (maximum) from date of payment
<ul style="list-style-type: none"> • Meter replacement (faulty meters) 	<ul style="list-style-type: none"> • 30 working days (maximum) from date of request
<ul style="list-style-type: none"> • Requested disconnections 	<ul style="list-style-type: none"> • Within 5 working days after official request
<ul style="list-style-type: none"> • Reconnections 	<ul style="list-style-type: none"> • Within 48 working hours from time of receipt of proof of payment
<ul style="list-style-type: none"> • Planned Interruption 	<ul style="list-style-type: none"> • 24hours' notice (minimum) Restoration within set time limits and alternative supply if longer than 4hrs
<ul style="list-style-type: none"> • Unplanned Interruption 	<ul style="list-style-type: none"> • Restoration within 24hours and alternative supply if longer than 4hours. • Designated delivery points will be identified with communities where affected citizens may collect relief water from the relief tank or truck
	<ul style="list-style-type: none"> • Public notices if longer than 24hrs
<ul style="list-style-type: none"> • Poor Water Quality 	<ul style="list-style-type: none"> • 24hours for reported incidents

• Smell	• As per Incident Management Protocol for lab results
	• Within 24hrs
• Burst pipe	• Will be attended to within 4hours and repaired within 24hoursof reporting/discovery
• Leaks	• Will be attended to within 24 hours
• Backfilling and road reinstatement	• Backfilling should be done within 3 working days after completion of repairs.
• Spillages/blockages	• Within 24hours of reporting/discovery
• Vacuum Tanker emptying requests	• Within 48hours of request
• Sewer collapse/pumping main failure	• According to standard schedule
	• Minimise nuisance within 24hours and restore pipeline within 5 days
• Production downtime	• Maximum 24hours
• Process downtime	• Maximum 5 working days

3.2.2 BILLING & METER READING

Services	Service Standards
• Request for a copy of an invoice	• Within 4 hours of request
• Querying an inaccurate invoice	• Feedback will be provided within 7 days
• Request reversal of penalties after fixing a leak and submission of plumber's report	• Account will be adjusted accordingly after 3 consecutive readings (3 months)
• Application for indigent support	• Will be finalized within 4 weeks after verification of

	documents received
• Meter Reading	• All meters will be read bi-monthly.
• Billing	• Customers to receive bills each month by post or e-mail.
• Creditors Management	• Pay creditors within 30 days of authorisation of invoice.
• Procure goods and services on behalf of the municipality	• At all times to be guided by Supply Chain Management Policies when procuring goods and services on behalf of the municipality.

3.2.3 ENVIRONMENTAL SERVICES

Services	Service Standards
• Food Poisoning:	• Investigation commences immediately (24hours a day)
• Food Related Complaint:	• Investigation commences within 1 working day
• Communicable disease notification	• Investigation commences within 24 hours *depending on the classification of the disease and manner of notification
• Environmental pollution (air, soil, water)	• Certificate will be issued within 1 day once 100% compliance has been determined by the authorities. complied
• Certification/Permitting • Atmospheric Emissions Licensing	• Acknowledgment within 7 days of receiving application. Processing and issuing within 90 days if fully compliant. Appeal will be responded to within 30 days

<ul style="list-style-type: none"> Complaints investigation on Health and Environmental Services 	<ul style="list-style-type: none"> Feedback within 48 hours
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3.3 GENERIC CUSTOMER CARE SERVICE STANDARDS

1. Language

All Frontline staff members are available and adequately trained to be able to handle queries in both English and IsiZulu as the main spoken languages.

1.1 Switchboard standards

- All calls will be answered within 5 rings
- All calls, regardless of caller will be answered in a consistent professional manner
- We ensure the appropriate resource contact is identified to resolve the issue
- We ensure that call goes through to the right contact or a suitable substitute
- If a message taken, it is delivered

1.2. Once the call is transferred;the following guidelines apply

- We will introduce ourselves properly and ensure that the caller will be able to contact us again if required.
- We will identify the callers name and requirements accurately and politely
- We will speak clearly avoiding jargon and abbreviations
- We will log/record details of the caller and the issue
- Summarises what the caller has said to check our understanding
- Ensure we have the caller's number in case we need to call back
- We will respond to the caller's need efficiently and effectively
- We will only transfer a call if we know we have the correct contact to avoid passing the caller around unnecessarily
- If the transfer is unsuccessful we will return to the caller and reassume responsibility
- If a query is transferred, we will make sure that the new contact person assumes responsibility for the query- until this is confirmed the transferor is responsible.
- We will notify callers of any delays in resolving their enquiries, with reasons
- We will observe confidentiality procedures and only give callers information in line with PAIA, PAJA, and POPI PAIA, regulations
- If the problem can't be resolved immediately, we will ensure that we follow it up until it is resolved
- We will give the customer a reference number or a responsible official's name and contact number so that they can follow-up and track progress on their query
- We will make sure the person is called back on resolution, or if there are any delays in resolving the matter
- We will check answering machines and voice mail regularly and return calls promptly.

1.3. Dealing with difficult customers

- We will treat difficult callers with the same respect one would use for any other caller
- We will attempt to determine the cause of their anger/frustration
- We will remain calm and courteous
- If the call degenerates into personal abuse-e.g. personal insults or offensive language- we will either indicate to the caller that we are unwilling to continue the conversation and terminate the call, reporting the incident to the supervisor, or transfer the call to a supervisor.

1.3.1. Telephonic enquiries

- We put ourselves in the caller's shoes and try to see things from his or her point of view.
- We will apologise on behalf of the Municipality for any mistake made even if we are not personally responsible.
- We listen to the caller and indicate we are doing so by summarising key points
- We adopt a positive tone.
- We remain courteous at all times.
- We may continue to assist a Caller who insists on using abusive language.

1.4.1. Written query standards

- All written enquiries and complaints will be logged and filed ensuring a proper traceable paper trail.
- Written responses, where required will be logged and filed.
- A file review system will be implemented to ensure that files are periodically checked to ensure that there are no outstanding issues related to the case.
- Files to be archived for a period of 5 years in line with the Municipal file plan.

1.5. Accessibility

- We will maintain our rural offices with same professionalism in order to provide our customers with the good service they deserve .
- We will produce written documents in clear readable print .
- We will provide responses in plain, jargon free language.
- We will provide the option of responding using other official languages common to the District.
- We will produce information in alternative formats and according to PAIA of Council

1.6. Consistency and identity

- We will write in a professional and courteous manner.
- We will use municipality approved stationery.
- We will develop and use document templates that reflect the municipality's identity and ensure consistency and uniformity.
- We will identify all correspondence, literature, leaflets and other publications with the municipality's approved logo.
- We will always check written materials carefully, not relying on an electronic spell check.

1.7. Electronic communication

- We will check e-mails regularly and reply to them promptly e.g. acknowledge receipt within 24 hours and respond within 5 working days.
- We will avoid using 'sms' language or other e-slang or jargon- even if the initial query was written in this style.
- All officials will use an auto-forward or auto-reply function when an official is away from place of work with a contact name or number for urgent enquiries.
- We will take particular care in maintaining confidentiality-when replying we will ensure that we are aware of all the recipients that the e-mail is going to. We will only send, copy, forward messages to people who need the information. We will be particularly cautious when using the 'reply to all' function.
- We will use electronic communication appropriately
- In terms of spelling and grammar- we will ensure that the same high standards applicable for other written communication are observed.

1.8. Presentations

- We will develop and use a standard template to ensure that the municipality's identity is consistently communicated.
- We will use large clear print-e.g a minimum 24 point
- We will use a generous, uncluttered layout- avoid cramming too much onto a single slide.
- We will avoid simply replicating documents laid out in paper format
- We will be sensitive around using images, phrases or sayings which may inadvertently give offence through stereotyping

4. COMPLAINTS PROCEDURE

A complaint is defined as a statement of dissatisfaction with Service received or not received during interaction or desired interaction with any of the Municipal officials. When any of the stated Service Standards are not met within the agreed time frames, the citizen has a right to initiate the complaints process

Please note that for an interaction to be qualified as a complaint, it must meet the following criteria:

- The agreed service standard as per Service Charter has not been met
- The customer care standard has not been met, example: an enquiry about an inaccurate invoice or water supply interruption has not been resolved within stipulated timeframes
- There is a reference number or trail of communication regarding the failed service

Where to log in your complaint?

Ugu Municipality has a dedicated complaints unit which can be contacted as follows:

- By telephone:

- By email: complaints@ugu.gov.za
- By visiting any of Ugu offices and complete a complaints form available at the reception, and deposit it in the complaints/suggestion box

How will your complaint be handled?

- A dedicated official will acknowledge the receipt of your complaint within 2 working days, either in writing, telephonically, or electronically.
- You will be given a reference number for the complaint
- An investigation will commence, and you will receive feedback within 7 working days.
- Your complaint will be resolved within 14 working days
- An independent Quality Assurance official may contact you after 14 working days to verify your satisfaction

What if you are still not satisfied with the outcomes?

- Should you not be satisfied with the manner in which your complaint has been handled, you may contact the Office of the Municipal Manager, quoting the complaint reference number
- The office of the municipal manager may be contacted by telephone or in writing. Should you wish to visit the office, you are advised to notify the office in advance in order to ensure availability and undivided attention
- Your dissatisfaction will be acknowledged within 2 working days
- The municipal manager or his representative will endeavour to resolve your dissatisfaction within 4 working days
- Should you still not be satisfied with the manner in which the municipal manager has handled your complaint, you may contact the Presidential Hotline for further investigation

5. HOW TO CONTACT US

IMPORTANT CONTACT DETAILS:

Department	Physical Address	Service	Contact details
Office of the Municipal Manager	28 Connor Street Port Shepstone	Municipal Manager's Office	Telephone: 039 688 5702 Email: Peroshnee.Moodley@ugu.gov.za
		IDP/Annual Report & Performance Management	Telephone: 039 688 5803 5700 Fax:

Department	Physical Address	Services	Contact details
			Email: Malusi.Mzotho@ugu.gov.za Nomawethu.Mkhungo@ugu.gov.za
		Mayoral Support	Telephone: 039 688 5713 Email: Information@ugu.gov.za France.Zama@ugu.gov.za Zimbini.Ntlangula@ugu.gov.za
		Communications; Media liaison and Customer Relations Management	
		Public Participation	Telephone: 039 688 5716 Email: Mondli.Ngcobo@ugu.gov.za
		Youth and Special Programmes	Telephone: 039 688 3522 Email: Dudu.Ngcobo@ugu.gov.za
		Legal Services	Telephone: 039 688 3530 Email: Melanie.Olivier@ugu.gov.za
Water, Sanitation and Environmental Services	96 Marine Drive, Oslo Beach	Water Services Authority	Telephone: 039 688 5872 Email: Mandy.VanderWalt@ugu.gov.za
		Water Services Operations	Telephone: 039 688 5857 Email: Paul.Watson@ugu.gov.za Nokulunga.Msomi@ugu.gov.za
		Water Conservation and Demand Management	Telephone: 039 688 3435 5700 Email: Thuli.Mwelase@ugu.gov.za phumzile.mayeza@ugu.gov.za
		Project Management Unit	Telephone: 039 688 3552 Email: Chuma.Mqoboli@ugu.gov.za Dezmond.Zuma@ugu.gov.za
		Environmental Health Services Environmental Management Services Environmental Services	Telephone: 039 688 5794 Email: Noloyiso.Walingo@ugu.gov.za Vella.Grammoney@ugu.gov.za Janine.Blackhead@ugu.gov.za
Treasury Department	Bazely Street, Port Shepstone	Revenue Management	Telephone: 039 688 5832 Nokuthula.Mkhwanazi@ugu.gov.za Thobekile.Mhlongo@ugu.gov.za
		Grants and Expenditure	Telephone: 039 688 3448 Fax: Email: Sizakele.Magadaza@ugu.gov.za

Department	Physical Address	Service	Contact details
		Supply Chain Management	telephone: 039 688 5700 Ntokozo.Mkhize@ugu.gov.za
Corporate Services		Human Resource Management	Telephone: 038 688 5885 Fax: Email: Vela.Mazibuko@ugu.gov.za
		Disaster Management Services	Makhosi.Gobhozi@ugu.gov.za
		Fleet Management	Patrick.Mzele@ugu.gov.za
		Registry & Auxiliary Services	Nonhlanhla.Langa@ugu.gov.za
		ICT	Norma.Grobler@ugu.gov.za
Local Economic Development	96 Marine Drive, Oslo Beach	Local Economic Development	Telephone: 039 688 3579 Sipho.Khuzwayo@ugu.gov.za Mandla.Mkhungo@ugu.gov.za Nonhlanhla.Msomi@ugu.gov.za

The following satellite offices are operational during the week, public holidays. Working hours are 7h30 – 16h00

Members of the public living in close proximity to these offices are urged to make use of them to access basic services like application for services, payment; general enquires reporting faults, and complaints. Our friendly officials are committed to provide you with professional service at all times. The municipal manager urges you to report any dissatisfaction with service to the complaints office immediately.

SATELLITE OFFICES operating times 7h30 – 16h00 weekdays excluding public holidays
Accessible by personal visit only

OFFICE	ADDRESS
Gamalakhe	Gamalakhe township, Ray Nkonyeni road, close to taxi rank
Bhobhoyi	In bhobhoyi location, off main Harding road
Kwanzimakwe	Along p69 kwaNzimakwe tribal area
Mathulini 1	Near Luthuli high school
Mathulini 2	Near mpompini bus stop
Izingoleni	Within Izingoleni municipal building
Phungashe	Phungashe location, Umzumbe
Murchison	Mbayimbayi ward 22 Hibiscus coast local municipality
Amahlongwa	Off p77 near Amahlongwa primary school

Main offices

Operating times 7h30 – 16h00 weekdays excluding public holidays

Cashiering hours: 8h00 – 15h00 weekdays excluding public holidays

OFFICE	ADDRESS
Main Office	28 Connor Street, Port Shepstone
Oslo Beach Offices (Phase 1)	96 Marine Drive Oslo Beach
Harding Offices	Off main Rd, Harding
Park Rynie Office	Industrial Rd, Park Rynie

UGU CALL CENTRE CONTACT DETAILS

MEANS OF CONTACT	CONTACT DETAILS	OPERATING TIMES
TELEPHONE	039 688 5830 0800 092837	24/7 for water and sanitation emergencies 7h30-16h00 weekdays excluding public holidays for general/account enquiries
Ugu Municipality Facebook page FACEBOOK		7h30 – 22h00 weekdays
TWITTER	Ugu_Water (to be advised)	7h30 – 16h00 weekdays excluding public holidays
CHAT ROOM	www.ugu.gov.za (chat box visible on the Home page.	7h30 – 16h00 weekdays excluding public holidays
EMAIL	enquiries@ugu.gov.za	7h30 – 16h00 weekdays excluding public holidays
SMS	44751	24/7 for water and sanitation emergencies




Ugu District Municipality

Quality Certificate

I **Dhanpalan Devaraj Naidoo, Municipal Manager of Ugu District Municipality** hereby certify that the Draft Annual Budget 2017/2018 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the Adjustments Budget and supporting documentation are consistent with the Integrated Development Plan of the municipality

Name: Dhanpalan D. Naidoo
MUNICIPAL MANAGER

Signature: 

Date: 28/03/2017